Austria	7 S	Luxembourg	10 L Fr.
Belgium	18 B.F.	Morocco	[illegible]
Denmark	1.75 D.Kr.	Netherlands	[illegible]
France	1.60 Fr.	Nigeria	[illegible]
Germany	1.00 D.M.	Norway	[illegible]
Great Britain	7½ P	Portugal	6 Esc.
Greece	[illegible]	Spain	15 Pts.
India	Rs. 3.00	Sweden	1.50 S.Kr.
Iran	25 Rials	Switzerland	1.00 S.Fr.
Italy	150 Lire	Turkey	T.L.2.25
Israel	I.L.1.10	U.S. Military	$0.20
Lebanon	90 P.	Yugoslavia	3.40 D.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

** PARIS, MONDAY, NOVEMBER 22, 1971 — Established 1887

THER — PARIS: Variable with ... Temp. ... Yesterday's temp. ... LONDON: ... Yesterday's temp. ... ROME: Overcast. ... NEW YORK: Cloudy. Temp. ...
ERAL WEATHER—PAGE 2

...ia Is Nearing ...r Footing as ...shes Increase

By Sydney H. Schanberg

...IA, Nov. 21 (NYT).—India is approaching a war foot-...attles with Pakistani troops along the East Pakistan ...e bigger, more frequent and more intense.

...e scarce because this military activity has been accom-...ia's ban on travel by foreign newsmen to border areas. ...ing things we just can't let you see," said an official. ...s hot, all around."

The government continues to deny publicly that Indian troops are crossing the border or doing anything but responding to what it calls Pakistani provocations. But despite heavy security, reports are getting out. From them, it has become clear that the Indian strategy is to keep a large number of the Pakistani troops in East Pakistan pinned down along the 1,350-mile border while the Bengali guerrilla army fighting for the independence of East Pakistan steps up its tempo against the thinly spread Pakistani forces in the interior. The Pakistanis are believed to have 70,000 to 80,000 troops in East Pakistan.

[A Pakistan Army source in Dacca said tonight that Pakistan "blunted a major offensive" by two brigades of the Indian Army supported by a regiment of tanks today northwest of Jessore, the Associated Press reported.

[The source said that the Indian Army suffered 90 killed and 160 wounded, with seven Indian tanks destroyed.

[This is the first time Indian tanks have been reported destroyed in the East Pakistan border clashes.

[Four Pakistani soldiers were said to have been killed and seven injured while "beating back the Indian soldiers."]

One frequent pattern of battle seems to be as follows:

The guerrillas, some based on Indian soil, push into East Pakistan and engage the Pakistani troops, nearly all of whom are from West Pakistan. The guerrillas then pull back toward India, pursued by the Pakistanis. When the Pakistanis approach the border or cross it, the Indian troops open fire, drive them back and sometimes follow them into East Pakistan.

In this way, territory inside East Pakistan is seized and turned into guerrilla enclaves. According to unconfirmed reports, in some areas, Indian troops have dug in on the East Pakistani side.

The Indians, according to the available evidence, are hoping to accomplish their objective—a friendly, independent East Pakistan—without a full-scale war. They are gambling that the Pakistanis will soon be forced to abandon their military occupation of East Pakistan because they lack enough troops or equipment for a total war.

Indian sources say their casualties have been "light," but reports indicate that in one battle alone—near Kamalpur, on the eastern side of East Pakistan—the Indians lost about 80 men.

The Pakistanis, according to Indian sources, have lost at least 6,000 men, with 12,000 more wounded, since March, when the Pakistani troops moved into East Pakistan to try to crush the Bengali autonomy movement. Most of the Pakistani casualties are said to have been inflicted by the Bengali guerrilla insurgents.

...n Seeks ...ol Crisis ...orders

...dhi Suggests ...ujibur Free

...DI, Pakistan, Nov. ...esident Mohammed ...appeared over the ...be making a major ...the crisis which has ...country to the edge ...r with India.

...ani president had a ...with new Indian ...ssioner J. K. A[illegible] ...envoy left suddenly ...ursday.

...time the Indian high ...r, who had just pre-...redentials, was lear-...ernment recalled the ...nnual message on the ...ious holiday marking ...the holy month of ...

...ssage was issued Fri-...ing a new paragraph ...en. Yahya offered In-...nd of friendship" and ...e tone was in marked ...warlike statements ex-...both sides for the past ... The first version of ...e had contained no ...nces to India.

...Yahya said, "On this ...lay we once again of-...und of friendship to ...invite India to grasp ...us begin a new era ...ighborly relations.

...e always emphasized, ...licts do not solve any ...herefore, while we re-...ed to defend our honor ...rial integrity at any ...tand for peace and ...with all countries, in-...ur neighbors.

...d Pakistan have for ...d away their energies ...es on arming against ...r—resources which ...been used to reap the ...of independence for ...ples."

...ent also issued greet-...gees who have fled ...and urged them to ...e. This also was an ...the new version of ...

...by Mrs. Gandhi

...Wire Dispatches

...LHI, Nov. 21.—Prime ...dira Gandhi said in ...today that if Presi-...is "sincere" in his ...to India, he should ...Sheikh Mujibur Rah-...engali leader of East ...

...d on Page 2, Col. 7)

...'s 3 Biggest Labor Blocs, ...ding Reds, Plan Merger

By Paul Hofmann

...E, Nov. 21 (NYT).—...mmunist and non-...labor leaders an-...re today that they ...in principle to merge ...izations within the ...ths.

...oters of the new labor ...ey are confident that ...

... in Italy halts all ... for 24 hours. Page 2.

...will have the necessary ...push through long-...l reforms in Italy.

...officials of Italy's ...st labor federations ...ere tomorrow to dis-...netable and details of ...rive.

...roblem is whether the ...should affiliate with ...tional organization.

...st labor leaders say ...like to continue their ...n with the World Fed-...Trade Unions, which ...d by Moscow, but they ...they would settle for ...move to set up a new ...rade union group.

...-Communist labor of-...insist they would not ...ir membership in the ...al Confederation of ...Unions, an anti-Com-...anization. The diver-...international affilia-tion will not halt the merger movement, it is generally thought here.

A few anti-Communist labor organizers, a small minority here, predict that the merger will mean a decisive step in the Italian Communist party's progress toward political respectability.

These critics contend that the Italian party—the strongest in the West—will heighten its influence in organized labor, although the leadership of the three allied movements have agreed that no trade union official should be allowed to hold a job in any political party.

The three groups intending to merge are the Italian General Confederation of Labor, a movement including Communists and left-wing Socialists that reports 3.4 million members; the Italian Confederation of Labor Syndicates, predominantly Roman Catholic, reporting 2.1 million members, and the Italian Union of Labor, comprising Social Democrats and other moderates, which reports 1.5 million members.

The three therefore are said to represent seven million workers of the nearly 20 million in Italy.

However, labor experts say that the membership reports of all three groups are inflated and that their dues-paying rank and file barely total five million workers.

Associated Press

Egyptian President Anwar Sadat (right) at the Suez Canal Saturday with his war minister, Mohammed Sadek.

Church Scores Terrorism in North Ireland

BELFAST, Nov. 21 (AP).—Leaders of the Catholic Church in Northern Ireland tonight condemned terrorists for carrying out cold-blooded murders. At the same time they accused the British of "immoral and inhuman" methods of interrogating suspects.

The strongly worded statement was released by William Cardinal Conway, primate of all Ireland, and six bishops. It said:

"The trail of death and destruction still continues: murders, explosions in crowded places, destruction of public services and of business and industrial premises, intimidation, the humiliation of young girls and the demoralization of youth.

"We declare once again that those who are responsible, directly or indirectly, for these things are bringing shame and disgrace on noble and just causes, and are acting contrary to the law of Christ."

'Cold-Blooded Murders'

"We condemn in a special way some particularly cold-blooded murders in recent weeks."

The death toll in Northern Ireland's 27 months of torment stands at 159 as the Catholic-oriented Irish Republican Army pursues its campaign to drive the British from the North and unite Ireland under the flag of the southern republic.

In their statement the cardinal and the bishops flayed the authorities for putting suspected subversives through the process known as "interrogation-in depth."

A British government commission reported last week that this practice has led to cases of individual ill-treatment among suspects held since the provincial government introduced internment without trial last August.

"Men have been kept hooded and standing, with arms and legs outstretched, practically continuously for days and nights on end until, from exhaustion, darkness, noise and thirst, they felt they were going out of their minds and prayed for death," the Catholic leaders said.

"We condemn this treatment as immoral and inhuman. It is unworthy of the British people."

Meanwhile, wintry weather brought relative calm to Ulster. Two firemen died fighting a blaze that destroyed a six-story hotel in Londonderry.

The cause of the fire at the Melville Hotel was not immediately determined. The hotel was damaged by a bomb explosion earlier this year.

Earlier, British troops traded shots with gunmen in central Belfast. One terrorist was believed to have been hit in the short exchange. He apparently was dragged away by two companions.

In another incident, a large land mine exploded between two British Army patrol cars on a border road in County Armagh. There were no casualties.

House, Senate Experts Fail to Agree on Aid

WASHINGTON, Nov. 21 (UPI).—House and Senate foreign-affairs experts tried and failed to find areas of agreement yesterday on their different versions of the foreign-aid package.

It was the first attempt at working out a compromise. When it failed, members agreed not to meet again until Monday, Nov. 29.

Paris Protest At Expressway On Left Bank

PARIS, Nov. 21 (AP).—About 60 prominent French writers and artists petitioned the French government yesterday to drop its plans for an express highway to run through Paris along the left bank quais of the Seine.

Three members of the French Academy, novelist Henry de Montherlant, dramatist Eugene Ionesco and film director Rene Clair, were among the signatories of the petition.

Unilateral Troop Cuts Under Fire

WASHINGTON, Nov. 21 (AP).—Sen. Charles Mathias, R., Md., called today for the United States to seek mutual and balanced troop reductions in Europe and to reject early, unilateral reductions.

"Let's reduce troop levels, but do it rationally, do it cooperatively, do it permanently through mutual and balanced force reductions," Sen. Mathias said in remarks prepared for delivery in the Senate tomorrow and released today for publication. He is introducing a resolution calling for gradual withdrawal.

The Senate Appropriations Committee voted 14 to 13 Thursday for a 50,000-man troop cut in Europe by June 15.

"Our European allies have been stung by unilateral executive action in the economic area," Sen. Mathias said.

"Let us not aggravate this situation by unilateral legislative action in the defense area."

The Mathias resolution calls on the Senate to reaffirm American support of the North Atlantic Alliance but says that the United States should move now to seek "mutual and balanced" troop reduction in negotiations.

Phnom Penh Front Quiet

Scores of U.S. Bombers Strike In All 4 Nations of Indochina

SAIGON, Nov. 21 (AP).—Scores of U.S. bombers struck over the weekend in all four countries of Indochina, including North Vietnam, while an upsurge in fighting was reported in South Vietnam. The battlefront around Cambodia's capital, Phnom Penh, was relatively quiet.

Battlefield communiqués listed three American troops killed and eight wounded in an apparent ambush, a mine explosion and a helicopter crash. Twenty-one South Vietnamese were killed and eight wounded in a battle in the Central Highlands.

South Vietnamese troops were reported massing on both sides of the Cambodian border, and B-52 raids across the frontier in Cambodia raised speculation that the Saigon forces soon would follow with raids against North Vietnamese base camps.

Raid on North

U.S. Air Force and Navy fighter-bombers made their 79th raid inside North Vietnam this year. Pilots said they knocked out two anti-aircraft guns 60 miles north of the Demilitarized Zone.

The U.S. Command said the exchange was triggered when the North Vietnamese anti-aircraft site opened fire on two Air Force F-4 Phantoms on a bombing mission against Hanoi's Ho Chi Minh Trail supply network in eastern Laos.

Targets in eastern Cambodia included supply lines and base camps above Highway-7, about 90 miles north of Saigon.

Massacre of Monks Reported

PHNOM PENH, Nov. 21 (AP).—Communist forces who occupied a village on the outskirts of Phnom Penh massacred a group of Buddhist monks, it was claimed here yesterday.

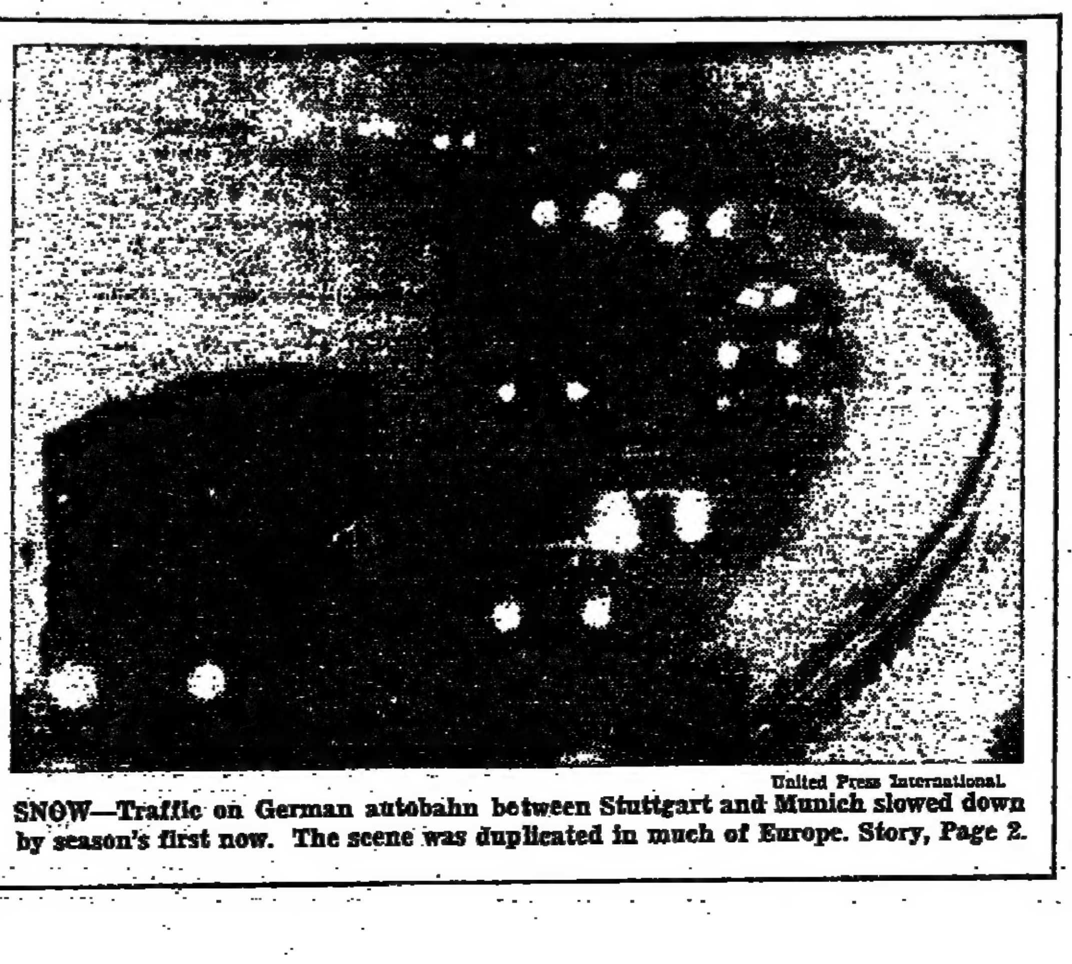
Lt. Col. Lon Non, younger brother of Cambodian Premier Lon Nol, claimed that the monks had been killed because they tried to prevent North Vietnamese and Viet Cong forces from installing their mortars in the precincts of their pagoda near the recaptured village of Tuol Leap.

The village was retaken almost without a fight by Cambodian troops backed by U.S. Cobra helicopter gunships.

China A-Arms Noted

HONG KONG, Nov. 21 (NYT).—The might of China's nuclear arsenal was brought up for special mention by North Vietnam's Premier, Pham Van Dong, in a speech in Peking yesterday lauding China's support in the Vietnam war.

Praising the rapid progress of China's science and technology, Mr. Dong said China had moved rapidly "into the ranks of advanced countries which possess nuclear weapons, missiles and satellites" and remarked "they are developing powerfully." He hailed "the new victory of the Chinese people" in the nuclear test carried out in northwest China last Thursday. Mr. Dong spoke at a state banquet attended by Chinese Premier Chou En-lai.



United Press International

SNOW—Traffic on German autobahn between Stuttgart and Munich slowed down by season's first now. The scene was duplicated in much of Europe. Story, Page 2.

Battle at Hand, Sadat Reports To Canal Units

By Raymond H. Anderson

CAIRO, Nov. 21 (NYT).—President Anwar Sadat has warned Egyptian troops along the Suez Canal front that "Egypt's decision is for the battle" and that they must be ready to "fight ferociously to prove to the world that we are a fighting people."

The Egyptian leader, on a tour of the front Friday and yesterday, said he had made the decision to fight because there "is no longer any hope whatsoever of a peaceful settlement."

Mr. Sadat criticized U.S. "political maneuvering" and "Israeli arrogance." "I have come to tell you that the battle is at hand," Mr. Sadat told officers and soldiers along the canal, according to a report by the official Middle East News Agency. "There no longer is any hope whatsoever of a peaceful settlement. Our decision is to fight."

He added:

"For the last 18 months we made maximum efforts in the hope that our forces would cross the canal without attack so as to save our men's lives. We were certain that the battle was coming. Now the 1 percent of hope is dead, and there no longer is any possibility of discussion on the subject."

[Today, addressing air force officers at an undisclosed base, Mr. Sadat reiterated his position that Egypt had decided to fight and asserted that contacts with the United States aimed at reaching a peaceful solution had been cut off, the Middle East News Agency reported, a Reuters dispatch said.

["I have informed the United States that we have no confidence in them. We cut off all contacts for a peaceful solution with the United States," he said.]

Tonight, the lights were off along Cairo's most fashionable shopping street, Kasr el-Nil, and pedestrians walked in darkness, in keeping with the mood engendered by Mr. Sadat's warning to the troops.

Egypt's armed forces were said to be in a state of standby alert. Leaves were reported canceled.

Although the downtown section of Cairo was mostly dark, lights burned elsewhere in the city, underlining the general impression that an outbreak of fighting was not imminent.

'Keep Training Intensively'

Mr. Sadat indicated as much when he told the troops along the Suez Canal: "Until the orders for crossing are given, I want you to keep training and training intensively."

His report to the troops that he had decided to fight was clearly intended to set the scene for a showdown debate next month

(Continued on Page 2, Col. 1)

Israel Reacts Calmly After Sadat Speech

But Eban Decries 'Extortion, Threats'

By Yuval Elizur

JERUSALEM, Nov. 21 (WP).—Foreign Minister Abba Eban today denounced in strong terms yesterday's speech by Egypt's president, Anwar Sadat. Yet Israel reacted in restrained fashion to the message, which seemingly brings a new Middle East war one step closer.

A government spokesman, asked whether the Sadat speech came up for discussion in today's meeting of the Israeli cabinet, replied cryptically: "Not in particular."

● France invites China to join Big Four talks on Mideast. - Page 2.

However, in private, Israeli officials were willing to admit that Mr. Sadat's insistence that he no longer believes in any American political intervention and that only a positive reply by Israel to the questionnaire presented by United Nations peacemaker Gunnar V. Jarring last February could save the peace, knocked the final nail into the coffin containing the proposed Suez Canal arrangement.

Israeli officials also concede that the latest Egyptian move will require a change in the agenda of discussions the Israeli premier, Golda Meir, will have in Washington in about two weeks. While she might raise with President Nixon the question of Israel's long-standing request for more Phantom jets, other topics such as the American position on an interim Suez Canal settlement may be dropped.

Mr. Eban, replying to reporters' questions, said of Mr. Sadat's speech: "[It] combines military threats with political extortion and Israel must take it very seriously in both contexts." He added: "We shall of course not yield to military intimidation and political pressure."

In another development, Israel today chose a three-war veteran to become chief of staff in January, opening the way for Gen. Bar-Lev to join the cabinet. Maj. Gen. David (Dado) Elazar, 46, was named in a government communiqué to succeed Gen. Bar-Lev.

Sources have said Gen. Bar-Lev, 47, will join the cabinet as a member of Mrs. Meir's Labor party, assuming the commerce and industry portfolio now held by Finance Minister Pinhas Sapir.

Hoover's January Retirement To Aid Nixon Seen GOP Aim

By Robert M. Smith

WASHINGTON, Nov. 21 (NYT).—Republican leaders involved in the effort to re-elect President Nixon are saying that the administration plans to ask J. Edgar Hoover, the 76-year-old director of the FBI, to retire this winter.

What these politicians are saying privately parallels information circulating within a small circle of administration officials in and outside of the Justice Department. According to this information, Mr. Hoover will be asked to retire in January.

Both congressional and Justice Department sources report that the administration had in fact arranged for Mr. Hoover to retire last spring but the idea was given up when Rep. Hale Boggs, the Democratic majority leader, charged that the FBI was tapping the telephones of congressmen. The decision was that Mr. Hoover should not leave when he was under fire.

It is not known whether Mr. Hoover will respond favorably to the idea of retirement after running the bureau for 47 years.

According to reliable sources, administration officials may attempt to persuade Mr. Hoover by arguing that if Mr. Nixon loses in November Mr. Hoover is sure to be dismissed by the Democrats. Their argument to him would be: Would you rather not retire now when we can send you off with great ceremonial honor and when we can pick your successor?

Some Republican leaders, particularly those concerned with the effort to attract the youth vote, believe that Mr. Hoover's continuation in office would be a serious political handicap for their party in 1972. They say that Mr. Hoover not only presents the image of a superannuated bureaucrat but is perceived on many college campuses as the head of a repressive and overly inquisitive federal police.

Some of these politicians believe that Mr. Hoover's departure will be worked out so that any blame conservatives place on the administration will rest with Attorney General John N. Mitchell rather than Mr. Nixon.

Mitchell Decision

If their expectation is correct, it reinforces other reports that Mr. Mitchell will be resigning as attorney general in January in order to direct the Republican presidential campaign.

Mr. Mitchell is under increasing political pressure to leave the Justice Department. Already, political observers are saying, there is an evident need for someone with authority to make central decisions in the campaign and coordinate efforts.

In addition, Mr. Mitchell's duties as attorney general may come to compete for time and energy with his political responsibilities. And there may be ethical problems raised by one man holding two jobs, whether his direction of the campaign is formal or informal.

Dayan Decision 'Cost' $20 Million

TEL AVIV, Nov. 21 (UPI).—Defense Minister Moshe Dayan's decision to call off a trip to the United States cost Israel $20 million, the newspaper Ha'aretz said today.

Gen. Dayan last week yielded to Prime Minister Golda Meir so that she could carry Israel's case to Washington and the White House. He had been reportedly scheduled to meet Secretary of Defense Melvin R. Laird during a United Jewish Appeal fund-raising tour.

Because he canceled the tour, Ha'aretz said, Israel lost money from 18 American Jewish millionaires from New York, Chicago and Los Angeles who had agreed to pay more than $1 million apiece for personal audiences with Gen. Dayan.

France Invites China to Join Big Four's Talks on Mideast

By Anthony Astrachan

UNITED NATIONS, N.Y., Nov. 21 (WP).—France has asked China whether it wants to take part in Big Four consultations on the Middle East, diplomats from the Big Four missions report. Peking has not yet replied.

France and China are also expected to play notable roles in the General Assembly debate on the Middle East, which is expected to be held in early December.

Neither Israeli nor Western sources expect either the Big Four or the Assembly to make any significant contribution toward reaching a settlement in the critical region. Nor do Arab or Soviet sources in rare moments of candor, although both the Arabs and the Russians expect the Assembly debate to reinforce their diplomatic positions. Some Westerners think that debate may at least put off the date when President Anwar Sadat of Egypt decides that he must start shooting.

Stalemate Seen

In any case, negotiations through a U.S. intermediary, once thought promising or at least viable, are moving so slowly they appear stalemated to all parties concerned except U.S. diplomats.

France, acting as chairman of the next Big Four meeting, sent its inquiry to Peking after the Assembly voted to seat Peking on Oct. 25 but before the new Chinese delegation arrived here.

French sources said they had consulted the other three powers before sending the query to Peking. The consultation was informal, however, which may explain why other informed sources said that Britain learned of the French move only unofficially and the United States only at second hand.

China Blames India

Meanwhile, Red China blamed India Friday for the tension between India and Pakistan.

The statement before the General Assembly's Social, Humanitarian and Cultural Committee was the strongest yet made by a third country on the conflict.

Fu Hao, the Chinese delegate, did not refer to India by name in his brief speech but his meaning was clear.

Battle Near, Sadat Tells Suez Troops

(Continued from Page 1)

in the United Nations General Assembly on the Middle East crisis.

Cairo's authoritative daily, Al Ahram, stressed today that diplomatic contacts would continue in preparation for the UN debate. The main purpose of the debate, Mr. Sadat said at the front, would be to obtain a resolution calling upon Israel to pledge to withdraw from the occupied Arab lands.

If such a pledge cannot be achieved, observers here contended today, Mr. Sadat appears firmly committed to undertaking military action after his vow directly to the officers and men along the Suez Canal.

The Cairo newspapers reported today that soldiers and officers had told Mr. Sadat they were eagerly awaiting the order to attack.

"We are ready for any suicide mission," pilots were said to have assured the president.

"Our motto is 'victory or death,'" the commander of the northern sector of the canal front was reported to have declared.

Arab Joint Defense Talks

BEIRUT, Nov. 21 (UPI).—Arab foreign and defense ministers, as well as chiefs of staff, will meet in Cairo next Saturday to coordinate military strategy against Israel, Arab political sources said tonight.

The meeting of the Arab League's Joint Defense Council is one in a series of Arab conferences aimed at paving the way for a summit early next year, the sources said. The foreign ministers met in Cairo earlier this month and will meet again in December.

Poland Cuts Repatriation Of Germans

By James Feron

WARSAW, Nov. 21 (NYT).—Poland has sharply curtailed the flow of ethnic Germans to West Germany recently, according to informed sources here.

They say that those seeking to join relatives in West Germany, under an arrangement made a year ago in the treaty normalizing relations between Bonn and Warsaw, are often refused application forms or transit documents. The Polish view is that many of those applying are not entitled to do so.

West German Red Cross officials, who are handling the transfer with their Polish counterparts, arrived here last week in an effort to remedy the situation, apparent since September.

The issue focuses on former German nationals living in Poland's "western territories"—the 40,000 square miles of prewar Germany acquired by Poland under the 1945 Potsdam Agreement. The transfer is inscribed in the Bonn-Warsaw treaty.

Polish and West German estimates of how many people are involved differ widely. The dispute was so far from compromise that it was finally omitted from the pact, initialed just a year ago.

According to the Germans, there are nearly 1 million even after the flight or ouster of several million just after World War II and the negotiated transfer a decade later of 220,000 others.

The Poles put the figure in the "few tens of thousands" at most, saying that the majority of those considered German by Bonn either are of Polish stock or have become Polish since then.

Polish officials are understood to consider many of the applicants fraudulent or "opportunistic," while the West German authorities are reported to be arguing that Polish education and even Polish names were often forced upon ethnic Germans who remained behind after the war.

Yachtsman Rescued; 9 Days in Atlantic

LONDON, Nov. 21 (AP).—A 26-year-old British yachtsman was rescued Friday after a nine-day ordeal aboard a rubber dinghy in the wintry Atlantic.

Radio Arcachon, a French maritime station, said he was picked up in the Bay of Biscay by the Norwegian tanker Polarvik.

Royal Air Force planes and a French warship began searching for Mr. Davies when his yacht, the Louise, sank off the northwest tip of France Nov. 10. His companion, John Farr-Clarke, 22, was picked up from a liferaft by a French trawler after 15 hours.

United Press International.

TRADING—U.S. Commerce Secretary Maurice Stans (left) talking to Soviet Premier Alexei Kosygin in Moscow.

Stans Arrives in Moscow, Holds Talks With Kosygin

By Theodore Shabad

MOSCOW, Nov. 21 (NYT).—Secretary of Commerce Maurice H. Stans arrived in Moscow yesterday on an 11-day visit to the Soviet Union and met with Premier Alexei N. Kosygin to explore ways of expanding Soviet-American trade, which has been lagging behind Moscow's exchanges with other Western industrial nations.

Mr. Stans, who is the first member of President Nixon's cabinet to visit the Soviet Union, met with Mr. Kosygin for three and a half hours. Later, he said: "It was a very thorough and serious discussion in which a number of constructive proposals were advanced for more detailed study."

Today, Mr. Stans, 63, who is the first secretary of commerce of the United States to come to the Soviet Union, went sightseeing in Leningrad. He returns to Moscow tomorrow for talks on trade.

An Element

The visit has been described both in Washington and in Moscow as an element in the gradual improvement of climate between the two superpowers in preparation for President Nixon's visit to the Soviet Union next May.

The commerce secretary has taken a seemingly optimistic view of future trade prospects, suggesting that there was a potential of as much as $5 billion worth of trade annually with the Soviet Union.

The Soviet Union's total volume of foreign trade last year was about $25 billion, roughly two-thirds with other Communist countries.

Mr. Stans, in his discussions with Soviet ministers, including Nikolai S. Patolichev, the foreign trade chief, and Nikolai K. Baibakov, the economic planner, is expected to deal with Soviet demands for credits and eased exports of advanced American technology and to survey the Soviet Union's own potential for supplying goods of interest to the United States.

In an apparent goodwill gesture timed to coincide with Mr. Stans's visit, the Commerce Department has approved 54 more export licenses authorizing U.S. companies to ship industrial equipment worth $528 million to the Soviet Union for a truck manufacturing complex under construction on the Kama River, 500 miles east of Moscow.

U.S. Bishops Call For End to War

WASHINGTON, Nov. 21 (NYT).—The American bishops of the Roman Catholic Church approved a resolution Friday calling for an end to the Indochina war "with no further delay."

The document, adopted almost unanimously at the end of their five-day meeting here, was a revision of a stronger statement that provoked heated debate Thursday.

The key sentence in the final resolution appeared to be the following:

"At this point in history it seems clear to us that whatever good we hope to achieve through continued involvement in this war is now outweighed by the destruction of human life and of moral values which it inflicts."

Acquitted 12 Years Later

WETTINGEN, Switzerland, Nov. 21 (AP).—A shoemaker who served 12 years of a life term for the slaying and $25 robbery of a junk dealer has been acquitted after a retrial. Walter Gross also will receive $32,500 compensation for the time spent in jail.

French Warned About Inflation

PARIS, Nov. 21 (AP).—New anti-inflation measures are in store if prices rise beyond government predictions, Finance Minister Valéry Giscard d'Estaing warned Friday.

In a broadcast on Radio Europe No. 1, a non-government network, Mr. Giscard d'Estaing said the tolerable limit will be rises of three-tenths of 1 percent per month in the next couple of months, and two-tenths of 1 percent by the end of March.

By comparison, the October rise was six-tenths of 1 percent, according to the best early indications, he said.

Scheel Reveals Groundwork

Ministerial-Level Contacts Prepare for Europe Parley

PARIS, Nov. 21 (AP).—West Germany's Foreign Minister, Walter Scheel, said yesterday that recent West European ministerial contacts with the Warsaw Pact countries have been part of the careful preparatory work for a European security conference.

Mr. Scheel told newsmen after attending a session of the ministerial council of the Western European Union that his forthcoming visit to Moscow had the same objective.

He said most of the foreign ministers of WEU—which comprises the six Common Market members and Britain—have recently conferred with their Warsaw Pact colleagues.

'Concerted Action'

"All these discussions have served to prepare the European security conference," he said. "This is essentially a matter of concerted action so that the preparations are undertaken with the greatest care. It is, moreover, in this context that I am going to Moscow next week to meet my Soviet colleague, Mr. Andrei Gromyko."

[Discussing earlier talks he held with the French, Mr. Scheel said there was a reconciliation of views between Bonn and Paris about the monetary crisis, but that any firm agreement would have to await the meeting of Chancellor Willy Brandt and President Georges Pompidou on Dec. 3 or 4, UPI reported.

[France and West Germany have not been able to agree on a common monetary policy up until now. Bonn has favored floating the mark while French officials believe in strict controls on currency movements.]

Meanwhile, WEU will remain intact even though one of its reasons for being—to act as a meeting place for Britain and the Common Market members—has now disappeared, Maurice Schumann, French foreign minister, said.

He said he believed generally that the WEU "still has a role to play" in the future of Europe.

At Least 20 Die As Viaduct Falls In Rio de Janeiro

RIO DE JANEIRO, Nov. 21 (AP).—A collapse of a viaduct crushed 14 vehicles at an intersection here yesterday and cost an estimated 20 lives.

Firemen and volunteer rescue workers, including Boy Scouts, continued today to sift through the 800 tons of concrete chunks that smashed down on a bus, cars, and a truck.

The collapse occurred while heavy traffic was waiting at a stop light and apparently began while a truck was crossing overhead. It appeared that some of the victims were pedestrians caught under the falling mass, which an eyewitness said made a noise like "a horrible thunder."

The viaduct, still under construction, was designed to expedite traffic through the congested northern district of Rio.

At Belo Horizonte, 200 miles north of Rio, firemen were still digging through a hill of refuse that collapsed Thursday and covered three huts in a slum area, burying as many as 20 persons. Four bodies have been recovered.

Strike Halts Italy's Trains For 24 Hours

200,000 Workers Out In Dispute on Raises

ROME, Nov. 21 (AP).—Railway service in Italy was halted today in a 24-hour strike of the nation's 200,000 trainmen.

The strike, called in a campaign for higher pay, more health protection and modernization of the rail system, was scheduled to end tonight and to be followed immediately by a one-day walkout of the rail system's maintenance and office workers.

The government said the union plan would add $480 million to the $1.1 billion deficit of the state-run railway system.

Other strikes were also held or scheduled.

Elementary school teachers threatened to walk out next Wednesday and Thursday in a dispute over career regulations.

Fishermen tied up their boats yesterday in a one-day protest for higher earnings and shepherds and farmhands scheduled one-day walkouts on a region-by-region basis this week. They also want more pay.

The country's tax offices are scheduled to be closed Nov. 29 and Nov. 30 in a wage dispute.

Newsstands throughout the country plan to close at noon tomorrow in a half-day protest against the arrest of several vendors in Milan and Turin on charges of distributing obscene publications.

The union of customs inspectors declared a three-day nationwide strike, starting tomorrow, for better working conditions.

Strike at Alitalia in U.S.

NEW YORK, Nov. 21 (AP).—Two hundred union members have gone on strike here against Alitalia airlines.

According to a spokesman for the International Association of Machinists, the strike concerns a refusal by Alitalia to grant pay increases in contracts reached before President Nixon's wage-price freeze on Aug. 15.

Employees involved in the strike are ground personnel, including ticket agents, baggage handlers, cargo workers and commissary workers.

An Alitalia spokesman said operations had not been affected.

Rightist Party in Germany Names Lawyer as President

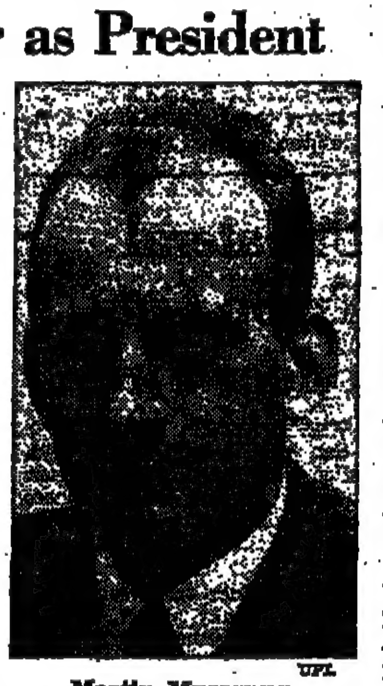
By John M. Goshko

BONN, Nov. 21 (WP).—West Germany's ultra-rightist National Democratic party has elected Martin Mussgnug, an obscure 35-year-old lawyer, to succeed the controversial Adolf von Thadden as the party's national chairman.

Mr. Mussgnug was chosen late last night by delegates to the party's national congress in the northern German town of Holzminden. Earlier, Mr. von Thadden stunned the congress by announcing his resignation from the chairmanship.

Mr. Mussgnug is a member of the NPD delegation in the legislature of Baden-Wuerttemberg, the only state where the NPD is still represented by elected officials.

He also is regarded as a protege of Mr. von Thadden, and his election represented a victory for the relatively moderate forces in the party anxious to counter charges that the NPD is an extremist and neo-Nazi organization.



UPI

Martin Mussgnug

Criticized by Radicals

Mr. von Thadden had come under fire from the more radical elements in the leadership who blamed his pursuit of respectability for the party's precipitous decline at the polls. However, in last night's showdown vote, Mr. Mussgnug defeated the leader of the radical faction, Siegfried Poehlmann, by 259 votes to 189.

In accepting the results, he announced that he would continue Mr. von Thadden's policy of attempting to bring the NPD to power "through the polls and not through the streets."

He takes over a party whose fortunes are at their lowest ebb since its founding in 1964. During the 1960s, the party made substantial inroads with the electorate and won representation in seven of the 10 West German state legislatures.

Its initial successes caused considerable fears outside Germany about a revival of Nazism. Since 1969, however, when the NPD failed to win the 5 percent vote in the national elections necessary to qualify for the federal parliament, its course has been steadily downhill.

It since has lost its representation in six state legislatures. And the expectation is that it will also be wiped out in Baden-Wuerttemberg when that state holds elections next spring.

Most political observers here have written the NPD off as all but dead. And, unless Mr. Mussgnug can somehow arrest the trend, the party is expected to diminish to the status of the handful of tiny and impotent extremist organizations on the far right fringe of West German politics.

French Judge Would Trade Drug-Case Data With U.S.

PARIS, Nov. 21 (Reuters).—The judge investigating the French side of a Franco-American heroin smuggling scandal involving members of the French secret service wrote to U.S. attorney Herbert Stern today offering to exchange statements by the accused men.

Authoritative sources said Judge Gabriel Roussel told Mr. Stern that he would send him the declarations of Col. Paul Fournier, alias Paul Ferrer, of the French secret service (SDECE) in exchange for those made to American authorities by alleged former agent Roger Delouette, arrested last April and indicted last Tuesday by a Newark, N.J., grand jury on heroin smuggling charges.

Both Mr. Stern and Delouette's lawyer have refused up to now to let French police question Delouette, because under French law they could not promise him immunity from prosecution.

The American grand jury also indicted Col. Fournier, in his absence, on smuggling charges, after Delouette told U.S. police that Col. Fournier had masterminded the operation, involving 96 pounds of heroin worth $12 million.

Questioned 5 Hours

Judge Roussel questioned Col. Fournier for five hours last Tuesday, and the secret-service official maintained afterward that Delouette's charges were sheer lunacy.

But there is no doubt that the French government is worried about falling morale in the secret service.

Defense Minister Michel Debré, whose ministry has jurisdiction over the SDECE, said yesterday that the government fully supports the service.

Mr. Debré, in Strasbourg for a conference of the ruling Gaullist alliance, stressed the government's confidence in Alexandre de Marenches, the new head of the SDECE.

Mr. Debré said of the SDECE: "The quality of the service is certain. It is no doubt because of this quality that so many campaigns, on so many occasions, are started against it."

He said secret services in other countries, apart from the Communist ones, where the press is not free, have the same problem.

In an apparent reference to Col. Fournier's implication in the case, Mr. Debré, without naming Delouette, said, "The accused has made serious accusations to reduce the sentence he is awaiting . . .

"The guilty person will be punished and his accomplices sought out and punished. As for the leaders of the SDECE, with my support and with the support of the government, they will continue to work for the good of the state."

U.S. Aide to Discuss New Ties in Sudan

WASHINGTON, Nov. 21 (UPI).—The State Department said yesterday that David Newsom, assistant secretary of state for African affairs, would visit the Sudan early in December to discuss normalization of relations.

The Sudan and other Arab nations broke diplomatic relations with the United States in June, 1967, following the Arab-Israeli war.

Associated Press.

HELPING HANDS—Cambodian soldiers carrying wounded comrade to safety after an ambush battle with North Vietnamese troops some 10 miles west of Phnom Penh.

U.S. Will Recall and Detoxify Defoliant Banned in Vietnam

By George C. Wilson

WASHINGTON, Nov. 21 (WP).—More than a million gallons of Agent Orange, the strongest U.S. defoliant used in the Vietnam war, are being shipped back to the United States. Its use has been banned since April, 1970.

Administration officials confirmed the plan Friday night, but would not give details other than to say that the substance was to be detoxified.

The chemical has been sprayed heavily over the Vietnamese countryside to take leaves off trees and to poison crops in a policy to deny the enemy cover and food. It is judged by U.S. scientists to be harmful to human and animal life.

In April, 1970, the Department of Agriculture found that the chemical compound 2,4,5-T posed an "imminent hazard" to human health; Orange is half 2,4,5-T and half 2,4-T.U.S. scientists have also stated that Orange contains another worrisome chemical, dioxin, which was not present in the herbicide when it was introduced.

Deputy Secretary of Defense David Packard banned the use of Orange in Vietnam immediately after the Agriculture Department determined it was hazardous, but critics said the ban came far too late.

Through 1969, U.S. planes had sprayed 5.5 million acres of Vietnam with Orange and a less-toxic herbicide called White. The names come from the color-coded stripes on the shipping drums of the defoliants.

White and another herbicide known as Blue continue to be used by both Americans and South Vietnamese.

Vatican Aide Reports Gain in Polish Talks

ROME, Nov. 21 (UPI).—The Most Rev. Agostino Casaroli returned yesterday from talks with the Polish government and said that definite progress had been made toward normalization of Vatican-Polish relations.

Archbishop Casaroli, secretary of the Council of Church Public Affairs, said that the Warsaw talks were marked by "a noticeable closeness of positions, at least on some fundamental points."

Yahya Seeks To Cool Crisis

(Continued from Page 1)

Pakistan, and stop the "farce" of holding re-elections to the National Assembly.

Mrs. Gandhi's comment, made at a news conference, is the first official reaction to President Yahya's peace offer, which came as a surprise to many observers here.

Mrs. Gandhi, without rejecting President Yahya's overture outright, reiterated India's position on the East Pakistan crisis.

She also said President Yahya should settle the issue with the "freedom fighters" of East Pakistan.

Earlier, as she spoke at a public rally in Ahmedabad, capital of the state of Gujarat, official reports reaching here said five Indian civilians had been killed and seven wounded in heavy Pakistani shelling of the town of Karimganj, close to the East Pakistan border in Assam.

Mrs. Gandhi told the rally that India would not act under pressure from other countries in tackling the tense border situation with Pakistan or the Bangla Desh problem.

India will always take its own decisions, she said. "Our independence will not be full if we act on what others want."

India's position since the East Pakistan crisis broke out eight months ago has been that it must be settled between the Pakistan military regime and the people of the East—and not between India and Pakistan.

Mrs. Gandhi called on the Indian people to meet the challenge and the burden of the 9,500,000 East Pakistani refugees. "We have to show that in spite of all difficulties, the people of India will go on building the country," she said.

A curfew was clamped on Karimganj after the shelling. The Press Trust of India said Pakistani troops and Indian border security forces exchanged fire for seven hours across the border.

Manila Sentences Kidnapper to Die

MANILA, Nov. 21 (Reuters).—A Filipino gunman today was sentenced to be executed in the electric chair for holding a 14-year-old American girl hostage in her home for 10 hours and collecting a $2,500 ransom.

Silvestre Mate, 31, was convicted on a kidnapping charge to which he pleaded guilty. He entered the home of Charles Butler outside Manila last Nov. 1 and held the girl, Susie Butler. An intermediary arranged for payment of the money in exchange for the girl's safety. Mate was arrested the next day.

Brazil Metes 33 Years To Death Squad Man

RIO DE JANEIRO, Nov. 21 (AP).—A court in Vitoria, north of here, has sentenced a policeman to 33 years in prison on death-squad murder charges, the AJB news agency reported.

The main evidence against him was bullets extracted from bodies of victims of the squad which matched the markings made by his 38-caliber gun.

Vienna Envoy in China

TOKYO, Nov. 21 (AP).—Austria's first ambassador to China, Hans Thalberg, arrived in Peking by train Saturday, the official New China News Agency reported today.

Snow Caus[es] Traffic Ch[aos] Over Euro[pe]

Highways, Airport[s] Railroads Affecte[d]

LONDON, Nov. 21 [...] Winter took a wi[...] Europe today, with [...] from Murmansk to [...] ranean, high wi[...] and West Germany [...] chaos on icy roads [...] of the Continent.

In France, snow was [...] day in the Pyrenees [...] Alps, where plows we[re] [...] into action to keep road[s] [...] All the mountain passe[s] [...] open.

Snow fell overnight [...] south as Corsica. Police [...] said high winds in the [...] had caused traffic acci[dents in] which three persons died.

Christmas decorations installed on trees lin[ing the] Champs-Elysees were [...] by the storm and a new [...] will replace them.

Blizzards and gales [...] Britain, leaving the nort[h] country deep in snow. Th[e] Automobile Club said co[nditions] in the north of Scotlan[d were] "appalling" after a night [of] snow.

Three men were drown[ed when] a sudden squall overturn[ed a] dinghy near Margate, [...] northern end of the S[trait of] Dover.

Italy, already hit by rai[n,] saw the winter's first hea[vy snow] slow road traffic often [...] in the north and down [...] ennine. Mountain chain[s...] roads and passes were [...] and some villages wer[e...]

In West Germany, sno[w...] the heavily populated [...] North Rhine-Westph[alia...] plows trying to cle[ar...] tween the Rhine and [...] were stuck in drifts [...] three feet deep.

20 Traffic Deaths

The autobahn from D[...] to Giessen, north of Fr[ankfurt,] was blocked in places b[y...] blown down by storm. Snow on the autobahn [cut] visibility to 25 feet, poli[ce said.] At least 20 traffic deaths [yester]day were blamed on the snowfall.

The Geneva airport wa[s closed] by snow and international [flights] were diverted to Zurich, which later was also tem[porarily] closed. By mid-afternoon airports were open again.

Traffic was brought to [a ...] by deep drifts on the [...] roads linking Geneva and [Lau]sanne with Bern. Other highways out of Lausan[ne, in]cluding those to the Fren[ch bor]der and Neuchâtel, wer[e] affected.

More Expected

In Austria, the weath[er] was warmer after su[b-zero] temperatures yesterday, b[ut...] was returning from the w[est...] expected to reach Vienna [during] the night.

Snow carpeted Moscow [and] the Arctic port of Murma[nsk...] one-day snowfall equal[...] which normally falls [...] months.

Snow covered Norway [...] temperature at Karasjok, [in the] north, down to minus 37 [C] (-35 F).

The passenger ferry [...] bound for Finland [...] aboard, ran aground [...] skaer, 30 miles north [of Stock]holm. There were no [...] injuries.

Denmark reported A[...] port in northern Jutl[and] closed at dusk and inter[national] routes from Copenhagen['s Kas]trup airport were threa[tened...]

Uganda Reopens Tanzanian Border

MUTUKULA, Uganda [...] (Reuters).—Ugandan [...] Idi Amin today reopen[ed Ugan]da's border with Tanzania[, closed] since July because of [...] an invasion by guerrill[as...] announced immediate re[sumption] of direct telephone, air, an[d] steamer communications [between] the two countries.

Stressing Uganda's wis[h to co]operate with other Afric[an coun]tries, Gen. Amin offered [...] military or financial [...] were attacked from out[side...]

WEATHE[R]

	C	F
ALGARVE	17	[illegible]
AMSTERDAM	7	45
ANKARA	18	50
ATHENS	17	63
BEIRUT	22	72
BELGRADE	3	37
BERLIN	3	[illegible]
BRUSSELS	[illegible]	[illegible]
BUDAPEST	[illegible]	[illegible]
CAIRO	20	[illegible]
CASABLANCA	19	[illegible]
COPENHAGEN	1	[illegible]
COSTA DEL SOL	18	[illegible]
DUBLIN	[illegible]	[illegible]
EDINBURGH	[illegible]	[illegible]
FLORENCE	[illegible]	[illegible]
FRANKFURT	[illegible]	[illegible]
GENEVA	[illegible]	[illegible]
HELSINKI	[illegible]	[illegible]
ISTANBUL	[illegible]	[illegible]
LAS PALMAS	17	[illegible]
LISBON	[illegible]	[illegible]
LONDON	[illegible]	[illegible]
MADRID	[illegible]	[illegible]
MILAN	[illegible]	[illegible]
MONTREAL	[illegible]	[illegible]
MOSCOW	[illegible]	[illegible]
MUNICH	[illegible]	[illegible]
NEW YORK	[illegible]	[illegible]
NICE	[illegible]	[illegible]
OSLO	[illegible]	[illegible]
PARIS	[illegible]	[illegible]
PRAGUE	[illegible]	[illegible]
ROME	[illegible]	[illegible]
SOFIA	[illegible]	[illegible]
STOCKHOLM	[illegible]	[illegible]
TEL AVIV	[illegible]	[illegible]
TUNIS	[illegible]	[illegible]
VENICE	[illegible]	[illegible]
VIENNA	[illegible]	[illegible]
WARSAW	[illegible]	[illegible]
WASHINGTON	[illegible]	[illegible]
ZURICH	[illegible]	[illegible]

هكذا من الأصل

Price Could Rise 8%

Board Head Questioned On Raise Granted to Miners

By George Lardner Jr.

...GTON, Nov. 21 (WP). ...rd chairman George ...nowledged yesterday ... government-approved ...for the nation's coal ...d increase coal prices ... percent.

...fore the Joint Con... Economic Committee, ...was pressed repeatedly ...nflationary impact of ... approval Friday of ...wage increases of some 15 percent called for in the bituminous coal contract won by the United Mine Workers.

Sen. William Proxmire, D., Wis., the committee chairman, said he was "shocked, astonished and surprised" at the decision, which was handed down by a vote of 10 to 3.

The dissenting public members of the tripartite board estimated the pay increase at 16.8 percent.

"That's three times over your (5.5 percent) guidelines," Sen. Proxmire said. "Your position must seem to be very soft to most Americans in holding down wage increases."

"No," Mr. Boldt said. "I have an abiding faith in the American people. They know that controlling inflation is vital."

"But we have to rely on you," Sen. Proxmire replied.

3 Hours of Testimony

The testimony took nearly three hours. Rep. Henry S. Reuss, D., Wis., said he was especially upset by the Pay Board's failure, in announcing the decision, to spell out what it would do to coal prices.

A federal judge before his appointment to the board, Mr. Boldt, 67, said the question of higher coal prices is an issue for the Price Commission, not the Pay Board, to decide.

He indicated that his staff made no independent assessment of the contract's potential impact on prices. But he said that coal-industry spokesmen estimated the full three-year pact would add $1 a ton to the cost of bituminous coal and that the first-year pay increase alone—to which the Pay Board limited its approval—would cost about 55 cents a ton.

Coal prices, Mr. Boldt said, now range between $6 and $7 a ton. As a consequence, if the average were $6.50 a ton, an increse of 55 cents would represent an 8.4 percent jump in the price of coal.

The price commission has adopted a general guideline of 2.5 percent for annual price increases, but has said that higher labor costs will be taken into account in making its rulings.

Meany's Pay Raise

Moving to other questions, Sen. Charles H. Percy, R., Ill., brought up the pay raises that the AFL-CIO voted for federation president George Meany and secretary-treasurer Lane Kirkland at its convention Friday after the "cool reception" accorded President Nixon during his talk to the delegates on wage and price controls.

They raised Mr. Meany's salary from $70,000 to $90,000 a year, an increase of about 28 percent, and Mr. Kirkland's from $45,000 to $60,000 a year, an increase of 33 1/3 percent.

Sen. Percy, noting that the raises are to go into effect next week, asked Mr. Boldt what the Pay Board intended to do about them and whether Mr. Meany, who sits on the board, would have a vote on the matter.

Mr. Boldt said he saw no reason to rush into the issue, "a relatively minor matter" that would first have to go to an executive salary committee that has yet to be appointed.

An associate of Mr. Meany's at the AFL-CIO convention in Miami Beach meanwhile indicated that Mr. Meany was "embarrassed" by the pay raise, apparently intended to tweak the Pay Board and the Nixon administration.

...nators ...ge Waste ...Pentagon

...GTON, Nov. 21 (AP). ...Senate critics of ...pending blamed the ...or waste after a re... ...et weapons technology ...od. what's happening ... money we're spending ...0 billion a year?" said ...m Proxmire, D., Wis. ...we have to show for ... weapons? Practically ...

...roxmire and Frank ..., Idaho, were ques... ...editors of the author... ...e's Weapons Systems ...orted last week that ... has the initiative in ...chnology.

... for a long time it ...ed—with considerable ...—that the NATO ...ad a clear lead in the ...t of sophisticated ...the editors said in the ...volume published in ...t is now clear that the ...as extinguished that ... is outstripping the ...

...oviet Advances

...ted Soviet advances in ...aments, an operational ...e system around Mos... ...arly-warning radar sys... ..."fragmentary evidence" ... emerging weapons in... ...supersonic swing-wing ... bomber that they said ... of the equivalent U.S. ...

...roxmire, who has led ...forts against the C-5A ...o plane, the Navy's F-14 ...g fighter and other ...he calls wasteful, chal... ...me of the Jane's editors' ...findings but not their ...onclusion.

...worried," he said. "It ...le the Soviets could be ...us in technology. But ... because we're spending ... money; it's because ...sting it so fantastically."

...upport Warnings

...nclusion by Jane's ap... ...support warnings from ... of Defense Melvin R. ...at the Russians began ...off space spending in ...concentrate on military ...

...le the Pentagon presses ... research money from ...Sen. Proxmire says that ...sians are pulling ahead ...se the Pentagon "puts ...in boondoggles like the ...keeping 300,000 troops ..."

...ssia Takes Lead

...NGTON, Nov. 21 (Reu... ...e United States has lost ...cal superiority over the ...ion in Polaris-type mis... ...rines, Democratic presi... ...ontender Sen. Henry ... Washington said today. ...ckson, who is in close ...ith the Pentagon and ...strong defense posture, ...Russians are continuing ... offensive weapons at ...edented rate.

... the discovery was made ...st few days that the ... are in the process of ... their 42d Polaris-type ..., which he described as ...ews. The United States ...laris submarines.

...ment Called ...ble Soon in Dock Strike

...BEACH, Nov. 21 (AP). ...tors, aided by the gov... ... top labor mediator, ...ward settlement of the ... East and Gulf Coast ...rs' strike with mixed ... progress in talks here. ...deral mediator J. Curtis ...id the negotiations had ...e progress "in the sense ... talking to the issues ...ng for solutions."

... Anthony Scotto, vice-... of the International ...men's Association, AFL-... said the parties might ...eement on seven major ... issues, with local con... ... be completed later.

... very enterprising," said ...ts of Mr. Scotto's assess... ... can happen. I wouldn't ...ldn't happen. If things ...g, we'll meet all night."

...A is representing about ...iking longshoremen in ...h the North Atlantic ... Association.

Associated Press.

THE PRESIDENTIAL TOUCH—Students from Cincinnati's Wyoming High School government class visited the White House Saturday and received an unexpected bonus when they met with, talked to and actually touched the 37th President of the U.S.

White House Hints at Veto

Senate Votes Today on Using Taxes for Presidential Race

By Spencer Rich

WASHINGTON, Nov. 21 (WP). —With a final Senate vote on the issue scheduled tomorrow, the White House has stepped up its campaign against a plan to give the Democratic and Republican nominees up to $20.4 million each, and George Wallace up to $6.3 million, for the 1972 presidential race.

Clark MacGregor, chief White House lobbyist on Capitol Hill, said at a news conference yesterday that if the campaign financing plan were attached to the President's tax bill, Mr. Nixon "would necessarily have to consider the possibility of a veto" because he considers the proposal so "unwise and irresponsible."

The Senate put aside the campaign funding issue yesterday and voted on other tax-bill amendments.

It adopted, 57-26, a proposal to let the President impose quotas or other restrictions against imports harming any U.S. industry or adversely affecting the balance of payments. This provision has no termination date and is far broader than similar language already in the bill.

End of Plan Expected

Several supporters said they viewed it largely as an expression of sentiment and suspected it would be dropped in a House-Senate conference.

Also adopted, 65-19, was an amendment granting a married couple aged 65 or older a tax rebate of up to $300 a year to compensate for property taxes paid on their home, if their combined adjusted gross income was $6,500 or less. A single person could get up to $150 and people living in rented homes could count 25 percent of their rent as a property tax.

The campaign financing amendment allows a citizen to check off on his income-tax return whether he wants the government to channel $1 of his tax payment into a nonpartisan campaign fund. Money from the fund would be used to pay the campaign expenses of each major-party nominee, up to $20.4 million each, of Mr. Wallace, up to $6.3 million, and other minor party nominees if they get 5 percent of the vote.

Amendment Possible

Democratic sponsors appear agreeable to amending this, before the final vote, to let taxpayers designate the party to which they want their $1 to go, or to allow the money to go into the nonpartisan fund. In that case, the ceilings would remain the same.

The Democrats say the plan would free candidates from having to incur obligations to big business and big labor, but Republicans consider the proposal simply a way to assure that the Democrats, who have more trouble collecting money than do the Republicans, will get a sizable amount with which to conduct their 1972 campaign. A candidate choosing public financing would be required to forgo private financing.

Mr. MacGregor, in attacking the plan, said it would perpetuate the centralized party structures of the two major parties and the Wallace structure, freezing out minor parties, and would be unenforceable.

Connally Denies Ambitions for '72

WASHINGTON, Nov. 21 (NYT). —John B. Connally last night disavowed any ambition to share the Republican ticket with President Nixon in 1972.

The Treasury secretary, a Democrat whose rapid rise to prominence in the Nixon cabinet and popularity in his native Texas has fueled speculation that he might replace Vice-President Spiro T. Agnew as Mr. Nixon's running mate next year, told a television panel of newsmen:

"I don't think it is in the cards, I don't think it is something the President will want to do, I don't think it is something the Republican party wants to do. I personally have no ambitions."

When one of the panelists followed this statement with a direct question, "You would not be interested?" Mr. Connally replied: "That's right."

9th Largest Contributors to Budget Of UN Are the Stamp Collectors

UNITED NATIONS, N.Y., Nov. 21 (AP).—Some members may be lagging in their financial support of the UN but not the world's stamp collectors—together they are the ninth largest contributor to the UN budget.

Hundreds of philatelists waited in a dozen lines 15 to 20 deep Friday to make first-day purchases of a commemorative stamp showing a reproduction of a painting by Picasso.

Eighty-five percent of all UN stamps sold are never used, UN officials say, and as a result the UN postal administration showed a profit of $3.85 million last year on total revenues of $6 million.

The $3.85 million, more than the regular assessment for all but eight member nations, was used to reduce the total amount of money the UN sought through assessments.

The new stamp, the eighth and last UN issue this year, shows a painting of Picasso's daughter Maia, then a child, watching a winter's first storm.

By special resolution of the General Assembly, profits from the Picasso stamp will go to the UN International School in New York and to a similar school in Geneva. The New York school has 1,050 pupils, most of them children whose parents are connected with the UN.

Wildlife Toll At Amchitka Called Large

Alaskan Game Official Disputes AEC Report

ANCHORAGE, Alaska, Nov. 21 (NYT).—Alaska's fish and game commissioner, Wallace H. Noerenberg, yesterday disputed the Atomic Energy Commission's assessment of environmental damage that resulted from the Cannikin nuclear test Nov. 6 on Amchitka Island in the Aleutians.

Mr. Noerenberg said "I'm disturbed that the AEC was so quick to say there was no damage from the Cannikin test. It shows the crew hadn't really looked anything over before that declaration."

He also said, "There is a credibility gap" between the AEC's environmental assessment made public Friday and the findings of Alaska Fish and Game Department marine biologists.

The AEC said it had observed 16 dead sea otters on the Pacific Ocean side of Amchitka and two dead otters on the Bering Sea side. A spokesman, Henry G. Vermillion, said, "It is not believed likely that more explosion-injured sea otters will be discovered." He added that 16 birds, four seals and hundreds of dead fish had been found.

But Mr. Noerenberg said that Karl Snyder, a state biologist on Amchitka, had reported "hundreds of otters, hundreds of birds and probably thousands of fish were killed" by the underground blast.

Mr. Snyder was said to have estimated that "300 to 800 otters died and were buried by rock falls along Amchitka's coast or were swept out to sea by a storm."

Mr. Noerenberg added, "Following the blast, sizable population blocs of otters on each side of the island adjacent to the Cannikin site were missing and not accounted for on the beach or offshore." The AEC spokesman said helicopter surveys "have indicated a lessened number of sea otters in the Bering Sea near the Cannikin site as compared with before the test."

In June, when the AEC released an environmental impact prediction about Cannikin, it said that "between 20 to 100 otters would be affected" by shock waves.

The AEC says that the animal and fish populations at Amchitka will be back to normal "within a few years." Mr. Noerenberg and his biologists say it will take five years or longer for the otter colonies and fish beds to recover.

New Cunard Liner Delayed by Trouble

SOUTHAMPTON, England, Nov. 21 (AP).—Britain's newest cruise liner, the Cunard Adventurer, has had propeller trouble on its maiden voyage, the Cunard Line said tonight.

The ship, built in the Netherlands, was scheduled to arrive in Lisbon this afternoon but now is not expected there before tomorrow morning because of reduced speed. Cunard said there was no danger and repairs would be carried out in Lisbon.

47 Cuba Refugees Arrive in U.S. Via Honduras

TAMPA, Fla., Nov. 21 (Reuters). —A three-month odyssey ended here when 47 Cuban refugees arrived in a Honduran lobster boat.

There were 22 men, 13 women and 12 children in the 60-foot boat. One of the children was born in Honduras.

It was early September when the group seized a fishing boat on the south coast of Cuba and set out for Miami. Diesel fuel ran out and under a makeshift sail westerly winds drove them toward Central America.

After nine days at sea, they reached Puerto Cortes in Honduras. The Honduran government refused them working permits. A week ago, three of them joined the crew of the lobster boat Coral Rock III.

The three smuggled the rest on board, and when they appeared on deck the captain gave in and changed course for Miami.

But they ran into the full forces of tropical storm Laura and spent a storm-tossed week until they reached Tampa yesterday.

AP.

Donald Miller

Black Executive Gets Pentagon Civil Rights Job

WASHINGTON, Nov. 21 (AP). —Secretary of Defense Melvin R. Laird has named Donald L. Miller, a black shipbuilding executive, to be the Pentagon's new civil rights chief.

Mr. Miller will have to grapple with service racial problems described by some congressmen as explosive. Mr. Miller, 39, industrial relations vice-president of Seatrain Shipbuilding Corp. of Brooklyn, will take over the $36,000-a-year job Dec. 1. His appointment was announced Friday.

A retired Army major from Bergenfield, N.J., Mr. Miller will become one of the highest ranking blacks in the Pentagon's civilian hierarchy.

He will replace Frank Render, who resigned under pressure 12 weeks ago after a Pentagon spokesman said Mr. Laird felt not enough had been done to end racial discrimination in the armed services.

U.S. to Give Up 3 Tiny Islands To Honduras

TEGUCIGALPA, Honduras, Nov. 21 (AP).—The United States is giving up three square miles tomorrow when a special emissary of President Nixon signs the Swan Islands over to Honduras.

Robert H. Finch, on a Latin-American fact-finding tour for Mr. Nixon, is to preside at the ceremony which will turn over the three tiny islands.

Senate ratification will be necessary but the United States two years ago recognized the Honduran claim of sovereignty over the sandy islands which lie 100 miles off the Honduras coast. The United States established sovereignty over the islands in 1856.

Tokyo Protests Against Okinawa Treaty Continue

TOKYO, Nov. 21 (AP).—A small number of workers and students continued demonstrations around the parliament building today to protest terms for Okinawa's return from U.S. to Japanese rule next year. There were no reports of violence.

Police said that about 3,000 workers and students had planned to participate in this most recent of a series of daily demonstrations. But only about 750 took part.

The Socialist and Communist parties—together with the General Council of Trade Unions, Japan's largest labor organization—say that they will continue daily demonstrations around the building. They oppose plans for a continued U.S. military presence on Okinawa after its reversion to Japan.

Molten Iron Kills 17

MEXICO CITY, Nov. 21 (AP). —An industrial accident in a steel mill at Monterrey killed 17 workers and severely burned 12 when a 275-ton crucible spilled molten iron over the men while being moved by an overhead crane Saturday.

Rehnquist Denies Challenging Negroes at Polls in Arizona

By Fred P. Graham

WASHINGTON, Nov. 21 (NYT). —William H. Rehnquist, a nominee to the Supreme Court, denied yesterday accusations that he had challenged the qualifications of Negro voters and had belonged to a right-wing group in his home city of Phoenix, Ariz.

In a 24-page, point-by-point reply to questions posed by four liberal Democrats on the Senate Judiciary Committee, Mr. Rehnquist also denied having said he was against all civil rights laws —as a black Arizona state senator, Cloves Campbell, has charged.

Mr. Rehnquist's answers to 15 detailed questions posed by the Democratic senators appear to contain no statements that could provide ammunition against him when the Judiciary Committee meets on Tuesday to vote on his nomination. The committee will also vote then on the nomination of Lewis F. Powell jr. of Virginia.

Recall Rejected

The written question-and-answer procedure was decided upon by the Judiciary Committee after it refused to recall Mr. Rehnquist for a final day of hearings to answer charges that he had intimidated Negroes at a Phoenix precinct in 1964 as part of a Republican effort to "challenge" Democratic voters. He was also reported to have joined two right-wing groups, Arizonans for America, and For America.

The committee arranged to have written questions submitted by the four Democrats—Birch Bayh of Indiana, Edward M. Kennedy of Massachusetts, Philip A. Hart of Michigan and John V. Tunney of California.

In his answer Mr. Rehnquist, now a U.S. assistant attorney general, surveyed his role as a Republican election worker from 1958 to 1968 in Phoenix, and declared that "in none of these years did I personally engage in challenging the qualifications of any voters." He added that he had a leadership position in giving the challengers legal training, but that he did not recruit them.

Mr. Rehnquist said that the challengers' purpose was to discourage voting frauds by providing a Republican presence at heavily Democratic precincts.

"I have never been a member of Arizonans for America, or For America," he added.

In response to newspaper reports that he appeared as a panelist in 1958 with three nationally known right-wing figures at a meeting sponsored by Arizonans for America, he said he now has no recollection of the event but has "no reason to dispute the newspaper accounts."

Ex-Senate Aide Convicted in N.Y. In Bribery Case

NEW YORK, Nov. 21 (NYT).—Robert T. Carson was convicted yesterday of participating in a bribery scheme to quash stock-fraud indictments while working for Sen. Hiram L. Fong as an administrative assistant in Washington.

Carson, who was suspended last January by Sen. Fong, R., Hawaii, formerly headed the Republican party and the stock exchange in Honolulu. He faces up to five years in prison on each of two counts when Judge Marvin E. Frankel sentences him on Jan. 4, a few weeks after his 55th birthday.

The jury of 10 men and two women found Carson guilty of conspiracy and perjury but acquitted him on two counts of causing interstate travel to promote bribery.

Richard G. Kleindienst, U.S. deputy attorney general, testified that the defendant had brought him an offer to pay up to $100,000 as a political contribution for President Nixon if help could be obtained for an indicted friend in New York.

Young Democrats Draft Platform

HOT SPRINGS, Ark., Nov. 21 (AP).—The Young Democrats' national convention pledged last night to support only those presidential candidates who are committed to immediate and complete withdrawal of U.S. forces from Southeast Asia.

The delegates, ending a four-day convention, completed work on a platform that blamed U.S. involvement in Indochina on "the undue amount of influence of the military in our society."

The platform includes calls for:

- Amnesty for those who have been dishonorably discharged for refusing to serve in Vietnam, or who have left the country or been imprisoned because of opposition to war.
- Abolition of the death penalty.
- Repeal of "unjustifiable laws" on marijuana possession.
- Legislation to guarantee a family of four an annual income of $6,500.
- Reduction of U.S. forces in Europe.

Rallies in U.S. For, Against Abortion Laws

WASHINGTON (WP).—More than 2,500 demonstrators marched down Pennsylvania Avenue yesterday to a rally on the Capitol grounds to urge the repeal of laws that prohibit abortions.

While the pro-abortion rally was taking place on the west front of the Capitol, another 350 demonstrators opposing abortion marched to the Capitol's east front.

There they held a brief rally on the Capitol steps, presented a petition to Rep. Lawrence J. Hogan, R., Md., and then dispersed. The opposing groups did not meet.

In New York, about 5,000 persons gathered for an orderly anti-abortion rally near Central Park. About 1,500 women had marched two miles down Fifth Avenue in a protest against the state's liberalized abortion law. There were no counter demonstrations.

San Francisco

In San Francisco, several thousand people participated in rallies both for and against abortions. About 2,500 men and women seeking repeal of anti-abortion laws marched through the downtown area to City Hall, carrying signs and banners.

A quieter rally by the Pro-Life Council with several hundred people was held at Union Square in the city.

The larger rally in Washington, sponsored by the Women's National Abortion Action Coalition, attracted demonstrators from Eastern and Midwestern cities but did not approach the 10,000 turnout estimated earlier in the week.

The marchers included men and children as well as women, although most of the protesters were women under 35.

Figures

ATLANTA, Nov. 21 (UPI).—In New York State, one child was legally aborted for every two delivered alive last year, according to a U.S. government study.

The National Center for Disease Control reported Friday that there were 180,000 legal abortions in 19 states and the District of Columbia during 1970. The largest number in any state was 87,530 in New York, which began giving abortions to nonresident women July 1, 1970.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

Page 4—Monday, November 22, 1971 * *

Undermining Phase 2

Organized labor no longer seeks to disguise its basis for participation in President Nixon's anti-inflation program. The resolution adopted by the AFL-CIO convention and the keynote speech by George Meany make it plain that the aim of the labor *members on the tripartite Pay Board is to* defeat the goal of wage stabilization.

Under the federation's program, unions would keep right on grabbing everything they could at the bargaining table or on the picket line, in an endless repetition of the process that has robbed past pay boosts of any worth in increased purchasing power.

Forgotten are the two years of clamor by labor and its Democratic allies in Congress *for presidential* action to control the runaway spiral. Now that Mr. Nixon has belatedly embraced economic activism, labor accuses him of a diabolical plot to "destroy free collective bargaining." And committees of House and Senate are busy redrafting the Economic Stabilization Act to insert weakening provisions the unions could not push through the semi-autonomous Pay Board.

The key element in the AFL-CIO indictment of the board is that it has refused blanket validation of all collective bargaining agreements, no matter how inflationary. Yet the federal courts, in the gold and mortgage moratorium cases in the early years of Franklin D. Roosevelt's New Deal, laid down the principle that government's right to fulfill its constitutional responsibilities could not be impaired by pre-existing contracts. That principle was reaffirmed just last month by a three-judge federal court, *which upheld the present wage control law.*

* * *

Indeed, the five labor members of the Pay Board were themselves ready to compromise inside the board on the issue of contract validity. Their formal written proposal would have made existing pacts subject to review if they called for pay increases "unreasonably inconsistent" with the board's basic criteria. The only real difference between their suggestion and the one finally adopted by the public and industry members was that the labor bloc would have specifically eliminated all increases up to 8 percent from challenge. The majority plank omits any such figure.

The unfortunate fact is that the official standard contains far too much elastic, as was demonstrated recently by the joint vote of the Pay Board's industry and union members to let go into effect, unchanged, the first-year increases called for by the highly inflationary strike settlement just *negotiated in the* coal mines.

The three public members who voted against approving the pact estimated that it provided an increase of 16.8 percent in hourly compensation, or more than triple *the 5.5 percent ceiling established* by the board for postfreeze contracts. The industry and union members, putting the increase at something over 15 percent in pay and fringe benefits, resorted to some tortured *rationalizations to explain why none of it* breached the general pay rules.

Few will doubt, however, that the decision represented an abject surrender to economic power of precisely the type that organized labor intends to make the norm in its mockery of a control program. The coal operators, with the steel and copper companies and the electric utilities as dominant elements in their industry, were willing to give the shaky leadership of the United Mine Workers what it felt it needed to stay in command. Gov. Arch A. Moore of West Virginia used all his political clout to help lobby the increase through.

Undoubtedly, the governor will now accompany the operators on a pilgrimage to the Price Commission to win a similar green light for coal price increases far above the economywide level of 2.5 percent. The commission's chairman, C. Jackson Grayson, has *said that the board may balk—as it should* —at granting a pass-along in higher prices for labor costs above the basic Pay Board ceiling. There would be no better place to start than with the inflated settlement in coal.

President Nixon, in his speech before the AFL-CIO, has emphasized his own resolve to persist in the war against inflation, whether or not he had the cooperation of labor, industry or any other group. On this issue we believe the President is entitled to unequivocal support. The initial breach driven by labor and industry into an equitable system of wage-price restraints is one too many.

THE NEW YORK TIMES.

SALT's Challenge

The Soviet-American Strategic Arms Limitation Talks (SALT), now entering their third year, have resumed in Vienna amid continued hopes of ultimate success but *renewed predictions of further* delay. President Nixon has acknowledged that a first-stage agreement by year end, the goal set in his May 20 summit accord with the Kremlin, is now "highly improbable." It may still be "unfinished business," he has said, when he gets to Moscow in May of next year.

So far, instead of curbing the nuclear missile race, the talks seem to have stimulated it. Both sides have pressed ahead with strategic missile deployment over the past two years. Washington has rationalized its deployment of defensive anti-ballistic missiles (ABMs) and offensive MIRV multiple warheads as "bargaining chips" in the SALT negotiations. The Soviet Union has put the emphasis on achieving "parity" with superior American strategic forces through deployment of giant SS-9 ICBMs and a stepped-up program of missile submarine construction.

From the start, the proposals of both sides have envisaged larger forces than they had when the talks began. And the military of both countries have pushed their missile deployment ahead as if to beat some expected cutoff date. The expectation that there will be a cutoff date may be encouraging. But the escalation of the missile race that is under way is costly. It adds nothing to the security of either side. On the contrary, it could heighten the nuclear danger *for both—and for civilization* as a whole.

Both nations already have strategic forces large enough to destroy each other many times over in retaliation against a surprise first strike. Further force expansion so far has simply added to overkill. But the passage of time increases the danger of a technological breakthrough on one side or the other that might destabilize the nuclear balance or threaten to do so. Another upward spiral in the missile race would then *ensue, postponing indefinitely any possibility* of a SALT agreement.

The two known weapons that, if further improved, already threaten such a breakthrough are the ABM and MIRV. Neither side is ready to negotiate about MIRV *yet*, the United States because it is far ahead but not yet fully deployed, the Soviet Union because it is behind. Other limitations on offensive delivery systems will add little to security as long as MIRV runs free.

What could be achieved in a SALT agreement at this time that would be of capital importance is a low ceiling on defensive anti-missile systems. With a low limit on ABMs—or, even better, a zero ABM accord —the incentive on both sides to expand MIRV and other strategic offensive forces would be sharply reduced. The traditional defense-offense race in weaponry would be cut short.

An ABM agreement at Vienna in the coming months should be feasible. The best way to achieve it would be to go back to earlier ideas for a zero ABM agreement advanced by both sides though pursued by neither. Short of that, political decisions on both sides and intensive negotiations will be needed to draft a low-ceiling ABM treaty.

Political factors have more to do with the American-made obstacles to a first-stage SALT agreement than the nation's strategic needs. There will be a better chance of concessions by the Soviet leadership, which evidently faces similar problems, if Mr. Nixon moves again as in May to sidetrack these parochial forces and pursue the true national interest in curbing the missile race.

THE NEW YORK TIMES.

International Opinion

Jonas in Italy

No one could have expected that the [Italian] ceremonies in honor of the Austrian president would even overshadow those shown to the U.S. President, or that the free and certainly proud Roman press in large headlines praised Jonas as a friend of Italy. Or that our negotiating partners fulfilled important wishes of Vienna before they even had a chance to talk about them in detail.

—From Kurier (Vienna).

Troop Cuts

Approval by the American Senate's Appropriations Committee of Senator (Mike) Mansfield's amendment to cut the number of American troops in Europe by 60,000 by next June is another warning to the countries of Western Europe to get their house in order, politically and militarily, while there is still time.

—From the Daily Telegraph (London).

In the International Edition

Seventy-Five Years Ago

November 22, 1896

NEW YORK—At Newcastle, Del., yesterday, a Spanish flag, which was displayed before the National Guard Armory during a reception, was torn down by a number of militiamen as they came out of the building and was trampled under foot. Violent speeches denouncing the Spaniards in Cuba were delivered and finally a bonfire was made on which the flag was burned amid resounding cheers. Emotions are running high throughout the country.

Fifty Years Ago

November 22, 1921

PARIS—There is an old saying that "manners make the man." If it be true, as many allege, that bad manners are more general today than ever before, there must be some reason for it. The importance of good manners can hardly be over-estimated. And the lack of them, is it from bad training, or lack of it; callousness; or is it just plain indifference? We must remember that if we wish courtesy to be shown us, we must first show it ourselves.

For the Championship of the United States

Ghostly Phase 2 Architects

By A. H. Raskin

NEW YORK.—The two principal authors of the philosophy on which the Pay Board rests its hopes of holding the wage line in Phase 2 of President Nixon's anti-inflation effort hold no membership on the board. In fact, they are not even alive. But if the Pay Board can keep its 5.5 percent guidepost from being splintered by the massive challenges that will beat down on it in the next few weeks, the precepts formulated nearly a quarter century ago by the board's ghostly mentors may help achieve a permanent reorientation of collective bargaining toward reason and away from force.

The two invisible wage controllers are the late Charles E. Wilson, who went from command of General Motors to the Pentagon as Secretary of Defense in the Eisenhower cabinet, and Walter P. Reuther, the imaginative former president of the United Auto Workers.

In 1948 these two were co-signers of a pioneering "progress sharing" contract at General Motors, one that took the long-term growth of 3 percent a year in national productivity and the erosive effect on pay envelopes of higher living costs as the touchstones for how much wages should rise.

Underlying Theory

The theory underlying their prescription was that it was government's responsibility to maintain a stable dollar through its management of fiscal and monetary policy and that workers were entitled to assurance they would get their fair share of increased economic efficiency in the form of a guaranteed 3 percent improvement in buying power.

Two factors have kept this *theory from working out precisely* according to plan in the automotive Big Three. One was that the union, under constant rank and file pressure to prove that bargaining had not become so mechanical it could be done by a computer, kept stretching the formula by insisting on expensive fringe benefits over and beyond the basic pay allowances. Since pensions, supplemental unemployment benefits and other fringe items now *represent* roughly one-quarter of total payroll, this served as its own inflationary prod.

The other unsettling factor was the regularity with which the government fell down on its end of the stabilization job. The impact of swollen military budgets, first for Korea and then for Vietnam, coupled with much floundering on other sectors of the fiscal and monetary fronts, touched off such a leapfrog of wages and *prices* that the escalator provision itself turned into an engine of inflation.

For all that, the basic GM formula remains the longest step in any major industry toward putting a scientific base under wage determination. In essence, it is precisely the formula embodied in the 5.5 percent standard adopted by the Pay Board. That standard hitches the 3 percent basic figure for productivity improvement to the 2.5 percent guidepost the Price Commission has erected for economy-wide increases in prices. Fringes as well as money wages are supposed to stay under the 5.5 percent pay umbrella, and the figure itself will be reviewed periodically to see whether cost of living trends require modification, another bow to the Wilson-Reuther philosophy.

Unfortunately, the real questions in the infancy of Phase 2 relate much less to its possible imprint on long-range bargaining patterns than to the clear and present danger that the whole control effort will be scuttled right away by demands for approval of pay settlements double, triple and even quadruple the ceiling.

Scramble

Last weekend's strike settlement in the coal mines, calling for increases estimated at 39 percent or more over three years, makes it plain that neither unions nor employers in major industries have yet got the message that a drastic slowdown is required in the wild scramble of wages and prices—the scramble that forced a reluctant White House to switch from do-nothingism to activist involvement three months ago. The West Coast longshoremen, who have already turned down an employer offer of 25 percent for one year, will present an even tougher problem than the miners when they finally do settle. So will Chicago grain elevator employees, on strike after spurning a 45 percent increase for three years.

The Pay Board's basic policies contain lots of elastic for authorizing above-ceiling increases to offset "inequities and substandard conditions." But if that language proves permissive enough to let through jumbo packages of these dimensions, the board can forget about trying to make *its 5.5* percent figure stick anywhere. The history of wage stabilization all over the world is that every time the basic standards are fractured to allow a major exception, a hundred other groups are on deck to explain why they are entitled to a free ride.

The government's attempt to hold the price line—already dented by the auto industry's attempted end run on car prices—is built on a pass-along of higher costs. On that basis, another runaway upsurge in labor costs would automatically doom the 2.5 percent goal for prices. If such fluidity in Phase 2 turns it into a *washout, the administration* is sure to move swiftly into a Phase 3 of much more stringent controls. The Pay Board may have reached the Rubicon its very first day.

Heath—II: A New Superpower

By C. L. Sulzberger

LONDON.—The curious role of Richard Nixon in the development of British policy is that he managed to create here the most *"European" climate possible* shortly before Parliament voted approval of this country's plan to join the Common Market.

Although Britain's admission to "Europe" has long been desired by Washington, the way we helped the project along was unfortunate. The abrupt way in which Nixon announced his intention of visiting China—with no advance notice—and followed this up with equally abrupt stimulus of a world monetary crisis has produced resentment.

Prime Minister Heath, whose unruffled calm managed to surmount these moves, takes the philosophical view that the special intimacy of Anglo-American relationships was doomed to start diminishing anyway once Britain looked eastward to Europe for its future rather than westward across the Atlantic.

Sudden Swerves

He makes it plain that his personal relations with Nixon continue to be all right. Nevertheless, even Heath concedes that America's closest friends had reason to complain of sudden swerves in U.S. policy, especially "the Camp David package" of emergency currency and trade measures.

These made it difficult for other nations to plan ahead. Heath never imagined Nixon was going to jump from Ping pong to major league baseball on China and this forced other nations to make unanticipatedly swift accommodations. *Likewise*, the economic package has produced bad repercussions.

London feels Secretary Connally has been needlessly rough and doesn't realize that when the world's greatest economic country which had built up a consistent policy over 25 years, switches overnight, every land is affected. It is felt that even if Connally's views may be politically *popular* among Americans, they are distorted in seeming to believe the U.S.A. is a free trading nation while Europe is protectionist.

Here one argues that the *reverse is true. British chemicals*, for example, have always been penalized in the American market while U.S. products and investments have been welcomed here. Yet now a ten percent surcharge and special tax arrangements further block U.S. markets to British goods.

For Heath this occasions needless crises. One result is that, although the British are not yet formally in the Common Market, London and the continental capitals are beginning to work together diplomatically as if they already belonged to the same club.

"Europe" (including Britain) *now represents* a *brand new* superpower. With half the world's trade, it outranks all other commercial blocs and this position has strong diplomatic implications. Eventually the Common Market can be expected to speak out as a superpower itself.

Of course this remains for the present an economic position and cannot become an equivalent military position. But Britain will undertake more joint ventures with Common Market nations in arms development and will press for creation of "European companies" to facilitate them.

Some day this tendency may be enhanced by creation of an Anglo-French nuclear force designed for "Europe's" protection but this remains far off. When Heath and France's President Pompidou met earlier this year they agreed the time had not even come to discuss it.

The first result of Britain's new European posture is perhaps reflected by improved relations with France. These had been cool since De Gaulle's veto of London's market application. But restoration of exceedingly friendly relations mustn't be exaggerated with regard to other *lands—especially Germany.*

London is happy that the old entente cordiale is back and that, just as it was taken for granted Nixon should drop in for lunch with Heath and Queen *Elizabeth after a continental* journey, it may soon become a habit for Pompidou or Prime Minister Chaban-Delmas. But Britain remains on excellent terms with Bonn and grateful for its Common Market help.

Prior to formal entry by Britain in the new "Europe," a mutual problem shared by all members is the current world economic crisis. Heath doesn't envision a dramatic depression like that of 1929.

But he does believe all economies need an *uplift*, that a regeneration is required. Yet this is impossible to achieve until Washington erases the atmosphere of uncertainty obscuring its future plans and hampering long term capital investments and business planning abroad.

This is the most urgent *necessity. And already, on this issue*, Britain speaks as a true "European" and not as the "American Trojan horse" De Gaulle once saw as the British role in Europe. London is just as eager as its trans-channel neighbors to prod Uncle Sam into more considerate attitudes so that the whole West, on both sides of the Atlantic, can again speak with a more united voice.

Threats to U.S.

Capital Stands Divided On Priorities, Purpose

By James Reston

WASHINGTON.—Two strong opinions about America are now widely held and fiercely defended in the *capital. The first* is that the major threat to the security of the nation still lies in the rising military, and particularly the naval, power of the Soviet Union. And the second is that the major threat lies in the internal divisions of the nation and in the social, political and economic derangement of an over-populated world.

On the proposition that both these threats exist and must be dealt with simultaneously there is a wide area of agreement, but on the hard practical questions of priorities and purposes, how much money for carriers and how much for poverty, there is wide and deep disagreement.

This is a fundamental and philosophical conflict, which divides sincere and thoughtful men and women, some of whom cannot resolve the matter in their own minds. For example, a distinguished member of the Joint Chiefs of Staff, deeply worried that Soviet missile and naval power was now tipping the balance of power against the United States, nevertheless observed privately the other day that he was less concerned about the nation's ability to maintain an effective balance of power in the world than he was about its ability to maintain a balance of confidence and trust at home.

Unity and Will

In short, no matter how anxious he was about the expansion of Soviet power into the Mediterranean and the oceans of the world, he was even more anxious about our ability as a people to hold together and find the unity and will to use what power we had in anything except a direct attack upon the territory and other obvious vital interests of the United States.

What President Nixon has done in the face of this terrible dilemma is what most politicians would do. *He has* compromised with it. He has cut back the military budget a bit, and cut back the nation's commitments in Vietnam, and elsewhere in the underdeveloped world, and at the same time he has increased the budget for health, education, and welfare at home.

But the defense appropriations bill passed by the House the other day still provided $71 billion in new funds for the Pentagon—not enough to meet the requests of the President, let alone the Joint Chiefs of Staff; but still large enough to limit what was left over to deal with the dangerous human problems at home and abroad.

In fundamental arguments like this the advantage is almost always with the side that favors dealing with the immediate and the tangible problem. The new *Soviet missiles and naval* vessels are a fact, not a theory. The movement of Soviet power in the Mediterranean and Soviet influence in India are facts. There is a shift in the world balance of power, and the trend is not favorable to the United States.

Still, important as this is, the *United States retains equality* or superiority in most military fields, and the threat from non-military trends at home and in the world seems to me, at least, to be more alarming than the threat of Moscow's *growing fleets of ships* and missiles.

There is now in the world, not only a confrontation of military power, but a confrontation of societies, and the state of our *society* at the moment, or so it seems here, is more disturbing than the state of our military defenses.

Few people on either side of the debate here would deny that we are a divided people with an unbalanced economy, and what is more important, an unbalanced view of ourselves and how we should be reacting to one another, to our allies, our adversaries, and the hungry majority of the human race.

On the philosophical ground, we need not fear the power of the Communist idea, for as Archibald MacLeish observed in this week's Saturday Review, it has turned *into the Stalinist* reality —the ultimate negation of belief in man, "police state at home and imperial legions abroad."

Dim Purpose

Still, the American purpose in the world is very dim and confused these days, even in our own minds, and maybe a restatement or affirmation of that purpose is the first order of business, even in military terms.

For the danger in the Soviet military program is not primarily that they may use their missiles and submarines on us, but that they may use their new sea-borne missiles as instruments of political influence from the Mediterranean to the Sea of Japan. And without more unity and sense of purpose than we now have after Vietnam, it is hard to imagine any president in the next few years, no matter how many weapons at his command, risking even rational foreign adventures with a divided electorate at his back.

MacLeish reminds us that Lincoln, speaking at Independence Hall in Philadelphia on his way to take the oath of the presidency, wondered what great principle or idea it was that had created the union in the first place and held it together for so long.

'Hope to the World'

It was not, Lincoln felt, "the mere matter of separation from the motherland." It was something else, he thought, something more, "something in the Declaration, giving liberty not alone to the people of *this* country but hope to the world, . . . something which gave promise that in due time the weights should be lifted from the shoulders of mankind. . ."

This was the American proposition, as Lincoln saw it: That the survival of the republic and the union depended not on chauvinism or military power, but on *the power of that revolutionary* commitment to the liberty of mankind.

Well, nothing seems more alien to the present mood of the nation than this particular proposition. *Yet even in these days of rising* isolation and protectionism, the old American affirmation is at least worth remembering. For if there is a clear and present danger in the internal and external disorder of the contemporary world, it may be better to go back to first principles while we are ordering up more guns.

Letters

Enough

At the bottom of page 7 of the Nov. 15 IHT there was a *small item* about a Mrs. Troppi of Plymouth, Mich., who had accepted a $12,000 out-of-court settlement from a druggist when she became pregnant with her eighth child after he had mistakenly given her tranquilizers instead of birth-control pills.

In Italian the word "troppi" means "too many."

JOHN BIENFANG.
Modena, Italy.

Casting Stones

It is incredible to me how easily the average European criticizes America on her racial problems (amongst other things).

Have they forgotten their own history? The cruelty with which they treated the peoples in their colonies?

PAUL BINDER.
Munich.

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Threats to U.S.

Stands ... orities, ...

By James Reston

Obituaries

...rtscaster Bill Stern, 64; ...nboyant Anecdote Teller

...RK, Nov. 21 (NYT).— ... 64, whose loquacious ... flamboyant anecdotes ... one of the nation's ...ful and controversial ...s, died Friday after- ... suffering a heart at- ... home in Rye, N.Y.

...yday, from the Thirties ...e Fifties, Mr. Stern's ... resonant tones were ... radio and television ...f almost every sport, ...steners of his Sports ...ow on National Broad- ...mpany radio.

...me radio and televi- ...s and sportswriters ... that Mr. Stern's stories ... times taller than the ... field fly, millions of ...ooked forward to his ...ewsreel commentaries ...otes.

...he stories they heard ...as one explaining the ... Thomas A. Edison's ... The inventor's hearing ...ccording to Mr. Stern, ...t after he was hit in ...while batting during a baseball game as a youth. The pitcher who beaned him, stated Mr. Stern, was Jesse James.

Mr. Stern remained unperturbed by criticisms from sportswriters that perhaps his anecdotes needed more research. Responding to sports-page criticisms, Mr. Stern once said of his radio show:

"It isn't a sports show, it's entertainment for the same kind of people who listen to Jack Benny. If there's a story that I know is not factual, I'll say so—but that's seldom the case."

Quick Lateral

Mr. Stern was also known as a man who, in his play-by-play accounts, could recover on a fumble more quickly than a football player on the field.

In one memorable broadcast, of a Notre Dame game, he discovered that he had the wrong player racing toward the goal line for a touchdown. As the ball-carrier neared the goal line, Mr. Stern, without a break in his narrative, announced that the player to whom he had wrongly attributed the run had just thrown a lateral pass to the player whose name he should have given—and so the right name crossed the goal line.

Born in Rochester, N.Y., in 1907, Mr. Stern was graduated from the Pennsylvania Military College in 1930. After working as a stage manager at theaters here, he joined NBC as a sports announcer in 1935. In recent years he did sports shows for the Mutual Broadcasting System.

William Culbertson

CHICAGO, Nov. 21 (NYT).—William Culbertson, 65, chancellor of the Moody Bible Institute here, died Tuesday night at the Swedish Covenant Hospital. He had had two operations for cancer in the last seven years.

As president of the institute for 23 years, from 1948 until last July 31, when he became chancellor, Mr. Culbertson presided over the multi-faceted activities of what is probably the nation's best-known academic bastion of Protestant Fundamentalism.

The position put him at the head of the tuition-free three-year undergraduate school of the Bible, now training 1,050 students for the pastoral ministry, missions, missionary aviation, education and communications.

Miklos (Mike) Sperling

WASHINGTON, Nov. 21 (AP).—Miklos (Mike) Sperling, 72, a Hungarian immigrant whose genius for automobile design raised him from a penniless piano salesman to a millionaire behind-the-scenes political power, died in Miami Beach Wednesday.

Mr. Sperling had been an influential voice in Indiana's Democratic party since 1958 when he helped elect Sen. Vance Hartke.

But the well-known Indianapolis industrialist and art collector, who spoke in heavily accented English, gave up most of his business responsibilities in the past few years to push Indiana's Democratic junior senator, Birch Bayh, toward the White House in 1972. Sen. Bayh announced his withdrawal from the race last month.

When Mr. Sperling came to the United States in 1926 he worked briefly as a piano salesman in New York, migrated to Detroit and joined the Dodge brothers' fledgling automobile business.

He left the Chrysler Corp. in 1939 and founded his own engineering firm in Indianapolis. He retired in 1967 as president and board chairman of Merz Engineering Inc., Indianapolis.

Giuseppe Gilera

ARCORE, Italy, Nov. 21 (AP).—Giuseppe Gilera, 84, a manufacturer whose motorcycles were raced to world championships, died last night at his home in this little town near Milan where he built his first factory in 1924. Mr. Gilera started with a small repair shop in Milan in 1909.

Neil Rau

HOLLYWOOD, Calif., Nov. 21 (UPI).—Author Neil Rau, 65, an associate of Hollywood columnist Louella Parsons since the 1940s, died Friday. Mr. Rau, who wrote three books, the latest of which was "My Dear One," joined the staff of Miss Parsons's successor Dorothy Manners, in 1964.

Jock McAvoy

LONDON, Nov. 21 (UPI).—Jock McAvoy, a former British and Empire middleweight and light-heavyweight boxing champion, was found dead in his home yesterday—his 63d birthday. Mr. McAvoy, known as the Rochdale Thunderbolt, held the middleweight title for 11 years, until 1944.

Dominque Laxalt

CARSON CITY, Nev., Nov. 21 (AP).—Dominque Laxalt, 86, an immigrant Basque sheepherder who saw a son become governor of Nevada, died Thursday. Born in Laguinge, a French Basque village in the Pyrenees, Mr. Laxalt emigrated to Nevada in 1906. One of his four sons, Paul, was governor from 1966-1970.

Percy Uris

PALM BEACH, Fla., Nov. 21 (NYT).—Percy Uris, 72, chairman of the board of the Uris Buildings Corporation of New York and long a trustee of Columbia University, died yesterday. Mr. Uris was a leader for half a century in real estate, building, financing and managing commercial properties, including hotels and office buildings, here and in other cities.

French ... Brussels ... Election

...LS, Nov. 21 (AP).— ...oday clearly rejected ...age truce painfully ...f parliament and re- ... century-old battle be- ... country's two linguistic ...

... the second victory in ... for the French-speak- ...nts who oppose what ...l the "strangling" of ...y Flemings.

... Minister Lucien Har- ...said tonight that the ...peaking Walloons of ...will get a majority in ... council whose members ...ed today. He said they ...y 42 of the 83 council ...

...bout a million voters ... in today's ballot, two ...er legislative elections ...d marked strong pro- ...ilitant French-speaking ...

...New Institutions

...e today are some brand ...utions, special city coun- ...d at coordinating such ... urban planning, trans- ...ironment, fire fighting ...n for more than a hun- ...icipalities of the Brussels ...

...asks should be only tech- ...t the French-speaking ... want to use them as a ... machine to force parlia- ... change language laws. ...militants reject the pre- ...m in the capital which ... bilingual regime to 19 ...ities. They assert French ...o be used in more Flem- ...ibs.

...ncomplete results were ... the Brussels area, out ... votes, 24,211, or 44.8 ...were for the French- ...In Brussels city proper, ...7,208 votes out of 37,267 ...46.2 percent, against 25.1 ... last year's municipal ...

BAGGAGE LOCKER BOMB—Scene in main Zurich railway station after the explosion. Associated Press.

Jews Gather In Moscow to Bury Rabbi

MOSCOW, Nov. 21 (NYT).—Moscow's religious Jews buried their rabbi today in a driving snowstorm as the successor to the leadership of the Soviet Union's largest Jewish congregation remained in doubt.

The city's Central Synagogue was filled and about 1,000 persons gathered outside on the street as speakers in the religious service paid tribute to Rabbi Yehuda Leib Levin, who died Wednesday at 77.

Eulogies were delivered by Rabbi Arthur Schneider of New York City, Rabbi Isaac Hechtman of the Jewish Community Council of Montreal and by representatives of the Russian Orthodox and Baptist Churches of the Soviet Union.

Old Jewish Cemetery

After the service, Rabbi Levin's body was taken to an old Jewish cemetery in the village of Vostryakovo, 30 miles south of Moscow.

There are about 250,000 Jews in Moscow, according to last year's government census. The city's Central Synagogue and two smaller places of worship cater to the needs of the relatively small number of religious Jews.

Today the talk among the congregation, mostly middle-aged and elderly, was about the question of succession. In the absence of systematic Jewish religious training in the Soviet Union, there are no obvious candidates.

Some mourners mentioned the possibility of the appointment of Rabbi Izrail B. Shvartsblat, 59, who has headed the Jewish community of the Black Sea port of Odessa since 1955. However, his militant anti-Zionist statements are believed to have made him unpopular among some Jews.

Heir-Apparent To Fortune in Sweden Kills Self

STOCKHOLM, Nov. 21 (Reuters).—Police yesterday confirmed that Marc Wallenberg jr., 47, heir-apparent to one of the world's largest private fortunes, committed suicide.

His body was found Friday afternoon in a snow-filled wood near a lake south of Stockholm. A hunting rifle was clasped in his hand. Police ruled that Mr. Wallenberg killed himself with a shot through the head.

Mr. Wallenberg was last seen by his associates at Stockholm's Enskilda Banken, where he was managing director, at 5 p.m. Thursday. The bank said he took his own life "because the burden of work was too heavy."

He, together with his father, Marcus Wallenberg, and his uncle, Jacob, presided over one of the largest private concentrations of wealth in the world, although its size is unknown.

The course of the family empire, which includes holdings other than the bank, was cast into doubt before Mr. Wallenberg's death. The family bank, with assets as of June, 1971, of 5.2 billion kronor (about $1.7 billion) will merge on Jan. 1 with Scandinaviska Banken to form Scandinavia's largest banking operation. For the first time the Wallenbergs will share power with outsiders, and this prospect reportedly caused a recent dispute within the family.

Soviet Jew Loses Post With Orchestra

MOSCOW, Nov. 21 (Reuters).—The director of the Soviet radio and television orchestra has lost his job after applying to emigrate to Israel, Jewish sources said today.

They said Yuri Aronovich, 40, was sacked from the job he had held for seven years within 10 minutes of asking his employers for a character reference—an essential document in the prolonged business of applying to emigrate.

He was dismissed only one day before he was to have directed the premiere of his own opera, and authorities have since withdrawn all his records from sale and banned them from broadcast, the sources said.

Soviet authorities are especially sensitive about the possibility of any outside loyalties among employees in the mass media.

Bomb in Zurich Railway Station Injures 14, Does $250,000 Damage

ZURICH, Nov. 21 (UPI).—A disgruntled vagabond confessed to touching off a homemade bomb in Zurich's main railway station late last night, injuring 14 persons and causing damage estimated at a million Swiss francs ($250,000), police said today.

Claude Baumann, chief of Zurich's cantonal police, said the 14 victims, including four women, suffered only minor cuts and shock. Ten of them were treated at the cantonal hospital and released immediately.

Only 25 minutes after the 10:53 p.m. blast, a 47-year-old laborer —unemployed and with no permanent address—walked into a police station and confessed to setting off the blast, Chief Baumann said.

He said the man had had repeated brushes with officialdom since 1960 and clearly acted "out of hatred toward the police and local authorities."

"It was a huge piece of luck that we had no serious injuries or even deaths," Chief Baumann said. He said the device contained 17 pounds of explosives.

Drivers Ignored Nude Girl, 10, Found Strangled in Rochester

ROCHESTER, N.Y., Nov. 21 (AP).—A 10-year-old girl ran nude along a crowded expressway during the rush hour with her arm raised, apparently trying to halt passing cars, but no one stopped for her, police said yesterday.

The body of the girl, Carmen Colon, was found in a gully a few miles away two days after the incident. A medical examiner said she had been raped and strangled.

Police, who are searching for the girl's assailant, said they learned of her flight along Interstate 490 only when three young men volunteered information Friday about what they saw as they drove in the rush-hour traffic Tuesday.

The three included a man driving alone and a motorist with a passenger. They said they had seen the girl as they drove through Riga, 12 miles west of the Rochester neighborhood where the girl disappeared while on a shopping errand for her mother.

"I went by so fast," one man was quoted as having said, "I couldn't believe what I saw." He estimated that at least 100 cars must have passed the girl.

Asked His Passenger

The other motorist, according to the police, asked his passenger whether they should go back.

Explaining why they did not, the man reportedly said, "I felt someone behind was in a better position. I was in the passing lane going 65 to 70 and there were five or six cars right behind me... I didn't expect it was anything sinister."

Both motorists told the police they had seen a car backing along the shoulder of the highway toward the girl.

The police theorized that she had escaped from her abductor's car and was trying to signal for help. The girl, who lived in Puerto Rico for five years, knew little English, the police said.

Her body, found by two teen-aged boys along a rural road in Riga, was clad in a sweater, shoes and socks.

Taiwan Seeking Missing Jetliner

TAIPEI, Nov. 21 (Reuters).—China Airlines said tonight that searching planes and ships had failed to find a Caravelle jet missing with 25 persons aboard.

The plane disappeared 20 minutes after it took off from Taipei for Hong Kong last night. Frederick Wong, assistant general manager of the Chinese Nationalist airline, said that the search was continuing and that he could not confirm reports that the craft had been seen to explode and to crash into the sea 50 miles west of Taiwan.

The plane had a crew of eight and 17 passengers, including the Brazilian ambassador in Taipei, Lauro Muller-Neto.

Seoul Holds 12 as Spies

SEOUL, Nov. 21 (AP).—The South Korean Army Counter-Intelligence Corps announced yesterday the arrest of 12 South Koreans who are alleged to have engaged in espionage for the North Korean Communist regime.

Rhodesia Cabinet Meeting; Talks In Deadlock

SALISBURY, Rhodesia, Nov. 21 (Reuters).—Prime Minister Ian Smith conferred with members of his cabinet tonight at a specially called meeting that could decide the next move in the Anglo-Rhodesian independence deadlock, despite earlier firm denials by a Rhodesian government spokesman that the cabinet was meeting.

Several cabinet members were seen arriving at the prime minister's house and sources said they had been called in to review progress in the negotiations.

Although another plenary session of the two negotiating teams was originally scheduled for tomorrow—after a two-day halt called by the Rhodesians—there was no confirmation tonight that the Rhodesians would be ready to proceed with the talks.

12 Perjury Counts Face Mafia Figure

DETROIT, Nov. 21 (AP).—Peter N. Lazaros, self-styled Mafia money man, was convicted by a jury on 12 counts of perjury last week.

The conviction on all counts—including charges he lied in testifying that he made payments, or saw them being made, to former Detroit Mayor Jerome P. Cavanaugh, five Internal Revenue Service agents and a former Detroit police inspector—makes Lazaros eligible for a prison sentence of 40 years and a $16,000 fine.

The statements for which Lazaros was convicted were made in 1969 before a grand jury investigating Lazaros's charges of government corruption.

INTERNATIONAL
Herald Tribune
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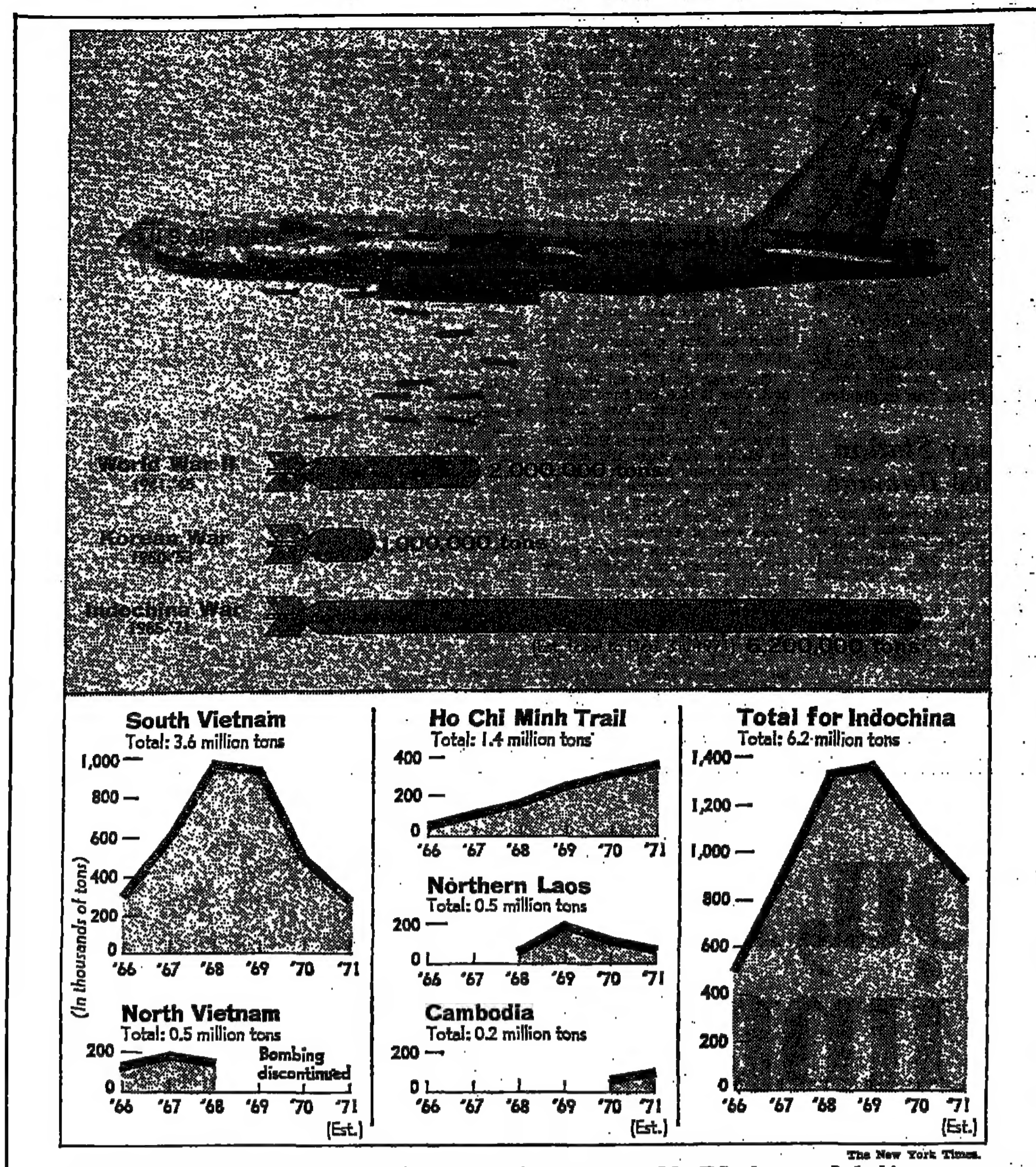

The New York Times.

BOMBING TONNAGE—Charts show total tonnage of bombs dropped by U.S. planes on Indochina as compared with other wars, and a breakdown of tonnage dropped on specific areas. In November 1968 the bombing of North Vietnam was halted, but intermittent raids, whose tonnage is uncertain, have continued.

Unofficial Scenario for U.S. Air War

By Herbert Mitgang

NEW YORK (NYT).—The prospect in Vietnam for the rest of this year and well into 1972 is American withdrawal through air power. Last week—as if to punctuate President Nixon's recent warning that "air strikes on the infiltration routes" would continue "in support of the South Vietnamese until there is a negotiated settlement"—U.S. pilots clambered aboard helicopter gunships, fighter-bombers and B-52s and strafed and bombed enemy targets in South and North Vietnam, Laos and Cambodia.

The Demilitarized Zone along the border between the two Vietnams more than ever seemed a phantom. For the 77th and 78th times this year, U.S. fighter-bombers attacked targets in North Vietnam last week.

An unofficial scenario for the months ahead can be found in a report put out in the last fortnight by a group of scholars at Cornell University's Center for International Studies. Their independent study, "The Air War in Indochina," disputes Mr. Nixon's assertion that the war is winding down. It asserts that the war can continue causing destruction and death even though U.S. ground forces supposedly are in a defensive posture.

The diplomatic leverage dimensions of the air war, especially the "protective-reaction" strikes north of the Demilitarized Zone this year, have been disclosed before. The westward course of the bombing against targets in Laos and Cambodia was uncovered by Sen. Stuart Symington's Foreign Relations Subcommittee on Security Agreements and Commitments Abroad. But neither the State Department nor the Defense Department has revealed the full scope and character of the continuing air war.

Pentagon Rebuff

The Defense Department has tended to brush off the Cornell study. Jerry W. Friedheim, the Pentagon spokesman, said last week he was not an expert on the study and did not know what the "methodology" was. However, the Pentagon's Southeast Asia desk has requested a copy of the report, and acknowledgement has been made that the bombing tonnage figures were furnished by the Defense Department.

The advance version of the Cornell study (a more detailed report is planned for late next month) was prepared under the guidance of Raphael Littauer, professor of physics, with the assistance of 19 scholars. They had access to information provided by more than 80 anonymous consultants in Washington, Southeast Asia and elsewhere.

These are the principal conclusions reached in "The Air War in Indochina":

● The total U.S. bomb tonnage dropped in the war is expected to reach about 6.2 million tons by the end of this year. Although the annual tonnage has decreased from the peak levels of about 1 million tons dropped in 1968 and in 1969, the 1971 rate will still be almost 300,000 tons. More bombs have been dropped on Indochina since President Nixon took office in 1968 than the total dropped (2.9 million tons) during World War II and the Korean war combined.

● The troop withdrawal program is not intended to include reduction of the air war over the Ho Chi Minh Trail, the principal enemy supply and infiltration route that runs through Laos and Cambodia. Interdiction will remain beyond the capability of the South Vietnamese Air Force.

● An estimated total of 325,000 civilian deaths have occurred in the last five years, while about 6 million South Vietnamese are thought to have become refugees as a result of artillery and aerial bombardment. (Sen. Edward M. Kennedy's Subcommittee on Refugees has disclosed these figures.) Interdiction of guerrilla fighters inevitably spills over to the civilian population.

● The bombing has failed to achieve its political goals. In northern Laos, it has had a counterproductive effect; in Cambodia, the dependence on U.S. air power is likely to continue. The "destruction of Indochinese societies continues while more and more governments become dependent for their survival" on U.S. arms, including air support.

● The Nixon administration apparently plans to continue bombing and air support and assistance operations "for the indefinite future"—at a cost that could approach $4 billion a year.

Philosophical End

Only at the very end does the Cornell study turn philosophical. "We suspect that the crucial failure occurred in a different domain than competency," the report concludes. "It was a failure of the imagination. Decision-makers in Washington remain isolated from the effects of their decisions; military commanders are similarly separated from the consequences of their actions. The reasons for this collective failure of the American imagination are manifold, but two seem particularly relevant to the use of air power.

"First, the United States has never suffered aerial bombardment. Suppose the North Vietnamese had been in a position to carry out occasional air raids in retaliation for the bombing of their country, say against Seattle. Who can doubt that the tenor of the bombing discussions would have changed radically? Second, the very availability of an advanced technology tends to inhibit the imagination. If powerful tools are at hand, it is almost a reflex to reach for them first—and how much greater the temptation to do so if the cost is low. A reassessment of our position is long overdue."

Learning the Choreography

Chinese Apprentices at U.N.

By Stanley Karnow

UNITED NATIONS, N.Y. (WP).—Mao Tse-tung's aphorisms enjoin his followers to be austere, self-reliant, modest and cautious, and that is the way the Chinese Communist delegates have been behaving in their first full week here at the United Nations.

"We are just beginners," Kao Liang, the press spokesman for the Peking group, said, explaining that it will take some time before the 52 Chinese delegates, attachés and secretaries become accustomed to the complicated diplomatic choreography of the world organization.

Indeed, the newness of the Chinese was illustrated here on Tuesday when Fu Hao, their representative on the Special Political Committee, mistakenly joined Portugal in voting against a resolution designed to publicize South Africa's racist policies. Recognizing his error, Mr. Fu quickly changed his vote, pointing out that he was "not yet quite familiar with procedures."

Their unfamiliarity with UN procedure, the Chinese themselves concede, stems from the fact that they were not entirely prepared for the victory that swept them into the international body on Oct. 25. For that reason, too, they indicate that they may not participate as actively as expected in the current General Assembly.

Related Strategies

But the Chinese make it plain that, despite their intention to proceed slowly, they are planning to use the UN to pursue several related strategies. Deputy Foreign Minister Chiao Kuan-hua, the chief of the Chinese mission here, clearly enunciated these strategies in his opening statement.

He stressed that China hopes to reduce the influence of the United States and the Soviet Union in the UN and, in the process, put itself forth as the spokesman for the smaller nations of Africa, Asia and Latin America.

Consistent with this line, Mr. Chiao emphasized that Peking would push its oft-repeated proposal for a "summit conference of all countries of the world" to *achieve nuclear disarmament* rather than enter into narrower talks on the subject with the United States and the Soviet Union. It is expected that the Chinese will highlight this theme when they speak on disarmament this week.

Mr. Chiao also made it clear that the Chinese will endeavor to win abrogation of the UN resolution, passed two decades ago, branding China as an aggressor for its intervention in the Korean War. They will also work to dissolve the UN command still functioning in Korea.

The Chinese indicate, however, that they are in no rush to raise the Korean question, which is not scheduled for discussion before next year's session of the General Assembly.

UN as Platform

Even though their rhetoric predictably condemns U.S. policy in Indochina, voices support for the Arabs in the Middle East, flays the "continued existence of colonialism" in Africa and, of course, demands the withdrawal of American forces from Taiwan, the Chinese apparently do not anticipate that the UN will resolve these issues.

In short, their program at this stage seems to be to use the UN essentially as a platform from which to proclaim their position on assorted international problems.

Along with appealing to the Third World of Asian, African and Latin-American states in the UN, the Chinese are apparently making a determined effort to improve their public relations image with the U.S. press.

Pleasant Contrast

Several American correspondents who have tried to report on the Chinese Communists in the past can recall the days when Peking's press spokesmen would not even give them the time of day. That has changed radically, and Chinese press agents at the UN now exude a charm and friendliness that make their American counterparts look like misanthropes.

The chief Chinese spokesman is Kao Liang, a tall, serious gentleman from Peking who formerly served in India and Africa. His deputy is Li Wen-chuan, a small, bespectacled Cantonese who was once stationed in London.

Both garbed in blue-gray tunics that contrast pleasantly with the somber dark suits of most UN diplomats, Mr. Kao and Mr. Li glide through the lounges of the world organization's building here, chatting with reporters and, on occasion, even buying their drinks. One U.S. reporter was rather surprised to learn that Mr. Kao was familiar with his articles dating back several years.

Mr. Chiao and his deputy, Huang Hua, are more aloof, apparently because they are engrossed in work. Unlike veteran UN diplomats, who project a certain weariness with the excessively wordy atmosphere here, Mr. Chiao and Mr. Huang appear to be present at every Ge[neral] Assembly session.

"They're like college fres[hmen] attending their first classes," [an] observer said. "Maybe [they'll] ease up after a while."

The burden of work has [pre]vented the Chinese from [seeing] New York and, as one of [them] disclosed, they merely drive [back] and forth between their [hotel] and the UN enclave. They [have] yet to eat in a New York [Chi]nese restaurant—even th[ough] they have hired a cook from [...] to prepare their meals a[t the] hotel.

Until one of the many [real] estate agents currently sear[ching] finds them a huge apar[tment] that can double as their [office] and living quarters, the Ch[inese] intend to remain at the [Hotel] Roosevelt, where they occu[py an] entire floor except for a [room] belonging to a little old lady [who] has been there 25 years. [The] old lady has no intentio[n of] leaving and the Chinese say [they] would not dream of asking [her] to depart.

The Hotel Roosevelt, n[amed] for Theodore Roosevelt, is a [...] establishment at Madison A[ve.] and 45th Street. It was sel[ected] for the Chinese by the Rom[anian] delegation at the UN.

Having had a glimpse of [other] New York hotels, the Ch[inese] suggest that they might [have] moved into a classier place. [...] what would we do?" one [said.] "We didn't know anyone he[re, so] we took what our friends f[ound] for us."

Like Soviet and other [Com]munist diplomats, the Ch[inese] can only travel within a 25[-mile] radius of New York. How[ever,] they can go beyond that on condition that they give U.S. authorities 48 hours' n[otice.] They intend to see the cou[ntry,] they say, "once we get sett[led]."

United Press International.

FRIENDLY GREETING—Unidentified member of Egyptian delegation to UN shakes hands with Chiao Kuan-hua, deputy foreign minister of Communist China, on the left. At right of Mr. Chiao is Hung Hua, China's UN envoy.

Treatment of Ulster Prisoners

Soul Searching in Britain

By Alfred Friendly

LONDON (WP).—The Compton report on the treatment of interned terrorist suspects in Northern Ireland has presented Britain with an agonizing question: in a democratic society, how far may the state offend against the precepts of civilized behavior to protect itself against civil insurrection and to save innocent lives?

It is a mark of decency and honor of the British society that it *does* agonize over the question and the report that raised it. Elsewhere, it is fair to suppose—say Athens, Moscow, Pretoria, South Africa, Peking, Conakry, Guinea, and (could it just be?) in some of America's less delicate police and prison precincts—the treatment meted out in Belfast to Irish Republican Amy suspects would be considered, under the circumstances, as downright mollycoddling.

It is worth noting that the inquiry and findings of a commission headed by Sir Edmund Compton, the former British ombudsman, have been accepted as punctiliously thorough, accurate and factual. Even the ritual cries of "whitewash" fom IRA and extreme Roman Catholic quarters have been patently half-hearted. The report has exploded, to the point where no one today is pretending otherwise, the shabby propaganda concocted by the IRA.

(My favorite is the accusation of a man who claimed to have been forcibly shaved from top to toe on no better grounds than that he suffered a harmless and mild skin disease. It turned out that he was filthy and infested with lice and scabies, from which he had scratched himself raw. Delighted to get medical attention once he was in custody, he *shaved his own nether regions* the better to have them treated.)

Convincingly, what the Compton report did show *was* that the British Army and Ulster police who conducted the internment raids last August and the subsequent interrogations committed no brutality or willful cruelty—insofar as one accepts the Compton definitions that brutality is "an inhuman or savage form of cruelty, and that cruelty implies a disposition to inflict suffering, coupled with indifference to, or pleasure in, the victim's pain."

But there *was* calculated, deliberate "ill-treatment" of 11 out of 900 men arrested, by methods used not merely for security reasons—to block identification of the captors and informers—but to break down the suspects.

The "treatment" was "ill" enough: requiring detainees to stand leaning with their arms against a wall for periods ranging from 9 to 43 hours over four or five days; hooding at all times except during the interrogation periods or when in a cell alone; subjection to a continuous and monotonous noise at a volume calculated to isolate them from communication; severe deprivation of sleep, and a bread-and-water diet.

The object was to break down the resistance to questioning by inducing overwhelming mental and physical fatigue and creating a loss of orientation in time and place.

In the words of the Financial Times, it was treatment of men who had not been tried, much less convicted, which "under any normal circumstance would be regarded as inhuman."

"Under any normal circumstance." But the circumstances in Ulster are not normal. They are ones of bloody carnage, perpetrated by wanton and hideously successful murderers who have killed 120 persons so far this year, wounded 600 and inflicted tortures (with a red hot poker) straight *out of Marlowe's "Edward II."*

Further, the army-police interrogation methods—conforming, incidentally, to rules laid down by the British government [for] earlier use in the Malaya, Cy[prus] and Aden insurrections—[have] been eminently successful [in re]sulting in the arrests of [...] of other terrorist suspects [and] the uncovering of large quan[tities] of guns and bombs. The [as]sumption is warranted that [they] have saved many an innocen[t life] that would otherwise have [been] taken.

Ends and Means

Yet. . . .

Dare the ends justify [the] means? Dare one descend [to the] methods of the enemy wi[thout] becoming the enemy of the so[ciety] oneself? Is tolerance of [ill-]treatment, in the worthies[t] causes, nevertheless to emba[rk on] the slippery slope?

What is curious is the rea[ction] of British opinion. The li[beral] Guardian, champion of [civil] rights for three generations, [jus]tifies what was done; the [con]servative Times says that [the] fact still remains that system[atic] physical ill-treatment of susp[ected] persons cannot be condone[d by] the society on whose behalf [it is] being done." And the arch-[Tory] Telegraph wonders if it has been "unnecessarily harsh."

The House of Commons [...] debate on the Compton r[eport] Wednesday made clear, [...] concerned. James Callaghan, [...] to the rules laid down for [inter]rogation of terrorist suspects [when] he was home secretary, pro[mised] to see agreement in Parlia[ment] "on the principle that they [should] not yield on the matter of p[hysi]cal ill-treatment as a mean[s of] security information."

A Privy Council commis[sion] headed by the former lord [chief] justice of Britain, has been cr[eated] to advise about the problem[. It] will have no easy answer to [the] question of whether a [na]tion should handcuff itself at the [risk] of committing suicide or sh[ould] choose survival at the price [of] affronting what it stands for.

Domestic Bonds

Bonds	Sales in $1,000	High	Low	Last	Net chge
[illegible]					

Bond Sales on the New York Stock Exchange

Bonds	Sales in $1,000	High	Low	Last	Net chge
[illegible]					
CaterT 5.30s92	20	84¼	84¼	84¼	— ¼
CaterT 5¼s86	6	83	83	83	
CaterTr 5s77	7	92⅛	92⅛	92⅛	— ⅜
CDC Inf fn5s88	1	73	73	73	
Ceco 4.75s88	73	82½	81	82	
Celanese 4s90	134	85¼	83¼	84½	— ½
Celanes 3½s76	1	86⅝	85⅝	86⅝	+ ⅛
CenGa 4½s2020	2	51⅛	51⅛	51⅛	
Cen Ga 4s95	1	50⅝	50⅝	50⅝	+ ⅝
CenNYPw 3s74	82	91¾	91½	91½	+1
v|CRRNJ 3¼s	117	29½	27	27⅛	—2⅞
CenlTel 9¼s95	30	107¼	108	108	—1⅞
Chadbrn 6½s89	160	58	47	47	—9
ChaseB 4⅞s93	145	108	106	107	+2
ChaseCp 6½s96	404	112½	110	111¾	+1¼
[illegible]					
Nor Nat G 8s91	83	102¾	102½	102¾	— ⅛
NorNG 5¼s79	1	88	88	88	
NorNG 4⅞s85	5	75⅛	75⅛	75⅛	+ ⅛
NorNG 4½s78	37	85⅝	85	85⅝	+ ⅜
NorNG 4½s76	1	89½	89½	89½	—1½
NorNG 4½s81	11	77	77	77	
NorNG 3⅜s73	1	95⅝	95⅝	95⅝	+ ½
NorNG3⅜s73	5	95	95	95	+1
NorNG 3¾s74	10	92⅛	92⅛	92⅛	— ⅝
NorPac 4s84	2	67⅛	67⅛	67⅛	
NorPac 4s97	12	59⅝	55¼	59⅝	+1⅛
NorPac 3s2047	91	37⅝	36¼	36½	—1
NoPac 3s2047r	2	36½	36½	36½	
NorStaP 6⅞s74	85	106	104½	105½	— ⅜
NorStaP 4¼s86	15	74	71½	74	+4⅞
[illegible]					
St O Cal 5¾s92	13	88⅛	88¼	[illegible]	[illegible]
St O Cal 4⅜s83	44	81¼	80	[illegible]	[illegible]
Std OilInd 6s91	147	92	90⅝	[illegible]	[illegible]
Std OilInd 6s98	67	91	89⅝	[illegible]	[illegible]
StdOilInd 5s96	253	104⅝	104	[illegible]	[illegible]
Std O In 4½s83	157	83	81¾	[illegible]	[illegible]
Std O In 3⅛s82	2	72	72	[illegible]	[illegible]
St OilNJ 6½s98	103	95⅝	[illegible]	[illegible]	[illegible]
Std Oil NJ 6s97	131	91	[illegible]	[illegible]	[illegible]
StdO NJ 2¾s74	88	92½	[illegible]	[illegible]	[illegible]
StOOh 8½s2000	10	108½	[illegible]	[illegible]	[illegible]
StOilOh 7.60s99	51	107⅞	[illegible]	[illegible]	[illegible]
St OilOh 4⅜s82	40	89	[illegible]	[illegible]	[illegible]

(Continued on Page 18, Col.

This announcement appears as a matter of record only.

$10,000,000

Pargas, Inc.

Notes due November 1, 1986

The above Notes have been placed privately by the undersigned.

Hallgarten & Co.
Established 1850

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FINANCE

PARIS, MONDAY, NOVEMBER 22, 1971

Eurobonds

Term Dollar Rates at Plateau Short-Term Costs Are Rising

By Carl Gewirtz

Nov. 21 (IHT).—The ... in Eurobond interest ... ut to a test last week ... d that a plateau has ... ed. Meanwhile, short- ... y rates started moving ... iving rise to speculation ... rong technical under- ... the bond market could ... done.

... test came in the form ... al terms for the $60 ... ie from Shell—8 per- ... Shell's top credit rat- ... t the clout to squeeze ... owest possible terms. ... cample, had been able ... ng-term rates down a ... nt two weeks ago to ...

... e record-high volume ... lar-bond market over ... weeks and the rapid ... ates, it is not surpris- ... he market's prime rate ...

... ther hand, the signifi- ... short-term Eurodollar ... in the week flashed ... signal that what ap- ... e a pause on the way ... in fact be the base. ... nth Eurodollar rates ... 3/16 of a percentage ... the week and one-year ... up 1/2 point. More ... the increase was made ... ay, before news of the ... a bill hit the news- ... bill, which would raise ... f gold by up to 10 per- ... devaluing the dollar. ... emotional stir on for- ... nge markets on Friday ... further upward pres- ... rodollar rates.

... ibility that critical dis- ... the international mon-etary disorder may begin at the Nov. 30 meeting in Rome of the Group of Ten finance and treasury ministers was a big element in making for hypersensitive markets.

But the thrust in Eurodollar rates was widely reported to have been due to big borrowings by U.S. banks. A big $110 million bank loan is being arranged for Denmark and some banks were seen buying dollars for their participation; others were said to be borrowing now for their own end-of-the-year accounting purposes. In addition, many U.S. companies, which need overseas credits to comply with the U.S. controls on foreign investments and which have refrained from tapping the bond market, are expected to be big bank borrowers in the closing weeks of the year.

All of this means that the appreciable spread between short-term dollar rates and long-term bond rates is narrowing—reducing the incentive for investors to commit their funds to bonds, increasing the costs of bond dealers who finance their inventories through the money market and thus tending to make the secondary market less liquid.

In this atmosphere, the demand on the secondary market for high-quality bonds, which assure investors of an easy and safe in and out, is notably strong despite the one-quarter to one-half percentage point differential available on bonds of lesser-rated borrowers.

The Mt. Isa 8 3/4s, for example, were quoted at 98 bid, 99 asked last week while the Esso 8s were at 100 1/2 to 101 1/2.

Overall, dealers are pleased with the way prices on the secondary market are holding up and are delighted that the flow of new issues is continuing at a subdued rate.

One offer in the deutsche mark sector is a 15-year issue from the Canadian province of Nova Scotia. The indicated coupon on the 100 million DM bonds is 7 3/4 percent and pricing is expected at about 99.

Economic Indicators

WEEKLY COMPARISONS

	Latest Week Nov. 14	Prior Week Nov. 7	1970 Nov. 15
Commodity Index....	105.5	106.1	108.8
*Currency in circ.....	$59,926,000	$59,594,000	$55,961,000
*Total loans.........	$85,109,000	$85,365,000	$82,504,000
Steel prod (tons).....	1,871,000	1,918,000	2,292,000
Auto production......	....	183,119	....
Daily oil prod (bbls).	9,226,000	9,273,030	10,045,030
Freight car loadings..	444,596	435,914	524,632
*Elec Pwr. kw-hr....	30,566,030	30,035,000	27,866,030
Business failures.....	194	226	264

Statistics for commercial-agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

	Oct.	Prior Month	1970
Employed	87,352,000	79,295,000	80,255,000
Unemployed	4,570,000	4,640,000	4,259,000
	Sept.	Prior Month	1970
Industrial production.	105.3	104.8	108.5
†Personal Income.....	$870,800,000	$876,600,000	$814,930,030
*Money supply......	$227,300,000	$228,000,000	$212,833,000
Consmr's Price Index..	122.4	122.2	117.5
Constructn contracts..	156	153	135
*Exports	$4,510,600	$3,677,700	$3,534,930
*Imports	$4,245,200	$3,037,400	$3,340,800
*Mfrs. inventories.....	$100,211,000	$100,063,000	$99,576,000

*000 omitted †Figures subject to revision by source.

Commodity index, based on 1967=100 and the consumers price index, based on 1967=100, are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1967=100. Imports and exports as well as employment are compiled by the Bureau of Census of the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc. Construction contracts are compiled by the F. W. Dodge Division, McGraw-Hill Information Systems Company.

U.S. Economy Displaying Signs of Recovery But Gloomy Wall St. Still Fails to Respond

By Thomas E. Mullaney

NEW YORK, Nov. 21 (NYT).—The signals being emitted by the nation's economy are becoming slightly stronger, but they have not yet activated any noticeable response from the investment world. There has been little, if any, change in the gloomy mood that has enveloped Wall Street over the last two months.

Investors, businessmen and the general public remain confused and worried about the implications of the recent wage-and-price rulings from the administration's stabilization panels and about the basic economic outlook.

Meanwhile, government officials continue to voice considerable optimism over Phase 2 of the inflation-control program and over business prospects for next year. Most economists share that assessment of the economy, but many are skeptical about the efficacy of Phase 2 and the restraint it might impose on corporate profits.

Labor's incessant rumblings over pay rulings complicate the picture, as do the recent actions of congressional committees in voting approval of wage increases withheld during the freeze.

Nevertheless, there was considerable encouragement in the latest economic data, particularly the new-car sales. They continued their surge in the first ten days of November, reaching a record of 289,036 vehicles, or almost double the volume for the strike period last year.

Overall retail sales also made a strong showing last week with a rise of 17 percent to $8,532,000,000; housing starts for October were up an impressive 5 percent; corporate profits for the third quarter rose $5 billion on an annual rate from the same period in 1970, and the gross national product for the third quarter was revised upward by almost $2 billion to an annual rate of $1,060.8 billion. This put real growth up 3.9 percent, while the inflation rate was receding slightly to the 3 percent level. Consumer prices, for example, rose only by 0.1 percent in October, the smallest increase since April, 1967.

One sour note in the statistics, however, was the report that the U.S. payments deficit for the third quarter had reached a worrisome record level at $12.1 billion.

The uncertainty in the business world and among the public was translated into another nervous performance by the stock market and by erratic movements in the bond market last week.

Stock prices showed moderate gains early in the week, but then lost all of the advance in cautious trading. The bond market, reflecting concern that Phase 2 might not work as well as hoped, was mixed, with long-term interest rates turning upward while short-term rates were continuing to decline.

After a seesaw week, stock prices closed generally lower, with all the leading averages down moderately, in continued slow trading. A total of 1,055 issues showed losses, while 583 had gains. The week's volume on the New York Stock Exchange aggregated 60.9 million shares, virtually unchanged from the preceding week.

The Dow Jones Industrial Stock Average eased 2.27 points to 810.67, less than a point above the year's low.

The move toward higher rates in the long-term end of the bond market last week was partly the result of the heavy supply of bonds for sale, especially in the tax-exempt securities market, and partly the result of some hesitancy in accepting some of the lower yields that were being offered in recent weeks.

With their higher yields, last week's new bond issues proved quite alluring to investors.

Another highly significant development of the week was the Federal Reserve's action in purchasing government securities and extending credit to Treasury bond dealers in moves that were interpreted to mean that the central bank wants to keep interest rates moving downward.

In contrast to the long-term market trend, interest rates in the short end of the market continued to drop last week. Three-month Treasury bills, for example, were auctioned last Monday at an average discount rate of 4.122 percent, the lowest rate since April, and government-backed tax-exempt housing project notes were also marketed at the lowest interest rate in seven months.

The combination of lagging loan demand at commercial banks and an easy credit posture by the Fed has provided plenty of money to permit the lower rates. A pick-up in the economy, of course, would change this and push rates higher once again. But there was no sign of any imminent economic surge in the recent loan pattern at major New York banks.

Amex and Over-Counter

NEW YORK, Nov. 21 (NYT).—Prices on the American Stock Exchange and on the Over-the-Counter market went mostly in one direction last week—down—as the trading pace rose slightly.

Brokers laid most of the weakness to the continued uncertainty over the outcome of the economic stabilization program and the lack thus far of a major business upswing. Even the news that housing starts rose 5 percent during October and were up 30 percent from a year ago had no effect on the market.

The hardest hit group of stocks was the real estate investment trusts, which tumbled sharply on Thursday.

The weakness in the market was reflected in the performance of the exchange's price index, which closed on Friday at 23.78, down 0.32 from the close of the preceding week.

Turnover on the exchange expanded to 14,174,335 shares from 14,046,095 shares the week before. Volume in counter stock last week totaled 31,554,200 shares, compared with 31,400,200 shares the week before.

The Over-the-Counter market also did poorly, with the NASDAQ industrial index closing on Friday at 101.85, down 1.55 points from the close of the preceding Friday.

Over-Counter Market

...ORK (AP) — Weekly Over-the-Counter ... dustrials giving the high, low ... d prices for the week with the ... from the previous week's last ... All quotations supplied by the ... Association of Securities Dealers ... not actual transactions but are ... tive interdealer prices at which ... urities could have been sold. ... not include retail markup, ... or commission. ... lied by NASD.

	High	Low	Last	Net Ch'ge
Bird&Son 1.40	19	76¼	75	75
Birtcher Corp	56	2⅛	2	2⅛
BlackHillsP 2.12	12	34⅝	34	34½+ ½
Blasius Ind	51	4⅛	3⅝	4 + ⅛
BlockDrugA .20g	28	19¾	19½	19¾+ ⅛
BlueChipStp .24g	223	10⅛	9⅝	9⅞— ⅛
BluefldSupp .63	28	17⅝	17	17 — ⅛
BobEvanFrm .40	11	22	22	22
Bogue Electric	19	1⅝	1⅝	1⅝
BohemLum .30g	88	21½	20½	20¾— ½
Bonanza Intl	322	5⅝	5⅜	5⅜— ⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Last	Net Ch'ge
Cypress Comm	65	8⅝	7¾	8⅝+ ⅝
Damson Oil	88	6⅝	6⅛	6½— ⅛
Danalab Inc	31	4⅞	4⅝	4⅞+⅛
Danac RealEst s	169	25⅛	24¾	24⅞+ ⅛
DenlyMech .50g	42	11½	10⅝	11 — ½
DartDrug .13	121	19¾	19⅛	19⅛— ⅝
Data Corp 2	162	3	2½	2⅞+ ⅜
Data Design Lab	96	4⅝	3½	4¼+ ¾
Data General	986	50½	44¾	45 —5½
Data 100 Corp	141	10⅛	9¼	9¼— ½
Data Packaging	55	6⅞	6⅛	6¼— ⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Last	Net Ch'ge
Gen Unit Group	126	2⅝	2¼	2⅝— ¼
Gen ResearchCo	179	7¾	6¾	7⅛+ ⅜
GenericsCp Am	47	6	5¾	5¾
GenRealEs .76	16	8½	8	8 — ½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Last	Net
KateGreenway †	3	3¼	3⅛	3⅛
Kathol Petrol	84	1⅝	1⅝	1⅝
Kayex Corp	26	4⅝	4½	4½— ⅛
Kayot Inc	7	5½	5¼	5¼— ¼
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Last	Net Ch'ge
MotorClubA .22	27	32⅞	32⅛	32⅞—1⅝
MuellerPaul .44g	12	10⅝	10½	10½
Murph Pac Mar	32	1⅝	1⅝	1⅝
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Last	Net Ch'ge
Radiation Intl	9	1⅝	1¼	1¼— ⅛
Ragen Precision	145	13⅛	11⅞	11⅞— ⅛
Rahall Commun	45	9¼	8⅜	9¼+ ⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	High	Low	Last	Net Ch'ge
Telecredit Inc	515	6¼	5⅛	5⅝— ⅝
TelUtilWash †	90	9¾	9⅝	9¾
TV Communicat	264	8¾	8⅛	8⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

N.Y. Bond Sales

(Continued from Page 8)

Bonds	Sales in $1,000	High	Low	Last	Net chge
Wis Cen 4s2004	7	50	49⅝	50	+1
Wis Tol 7½2007	11	98¾	98	98¼	— ⅛
WilcoCh 4½s93	30	78	77	77	
Woolwth 7¾s96	143	100½	99¼	100	— ½
Womet 5½s94	41	87	85½	85½	
Xerox cv6s95	478	139	135	135	—3
YngSh 10½2000	111	109⅝	107½	108	—1¼
YngSh 4½s90	72	63⅛	60½	63¾	+4⅛
ZapNor 4¾s88	20	68	65⅝	66	—2
Zap N 4¾s88B	99	68	64½	64½	—3½
Zap N 4¾s88C	94	67	65½	65½	—3
Zayre Co 8s96	118	98	95	96	— ½
Zayre cv5¾s94	10	106⅞	106⅞	106⅞	— ¼
Zurn In 5¾s94	81	86¼	84	84	—2½

Foreign Bonds

Bonds	Sales	High	Low	Last	Net chge
Amst fn5¼s73	6	94½	93	94½	
Antioq 3s78	27	95	94	95	+4¼
Austrl fn6½s77	5	96	96	96	
Austr fn5½s81	9	89	89	89	
Aust 5½s82 Jul	5	86¼	86¼	86¼	+1
Aus fn5½s82Oc	5	87½	87½	87½	
Austr fn5¼s80	5	87	87	87	
Aust fn5¼s80n	7	86½	86½	86½	
Austral fn5s78	8	90	90	90	
Austral 4¾s73	1	96⅝	96⅝	96⅝	+2⅝
Austr fn4¾s73	2	96¼	96¼	96¼	
Austrl fn5½s73	5	120	120	120	
Austrl as5½s80	1	89	89	89	—1½
Canad fn2¾s75	5	84½	84½	84½	
Chile 3s93	42	42½	37	37	—4½
Cuba 4½s77f	31	14	12	12	—1¼
Denmrk fn6s85	1	83½	83½	83½	
Den fn5½s78	1	88⅝	88⅝	88⅝	
Germany 4s72	1	88	88	88	—1½
ItalC Cn fn3s77	12	95½	95	95	
ItalPUt 3s77	1	91½	91½	91½	— ½
ItalPUt fn3s77	3	91½	91½	91½	
ItalRep 3s77	7	96	96	96	
ItalRep fn3s77	1	95½	95½	95½	
Jap Dev fn6s78	1	95	95	95	
Mexico 7¼s81	30	95	93	93	+1½
Mexico 6¾s78	1	93¾	93¾	93¾	+2½
N Zeal fn7s76	2	99	97½	99	
Nippn TT 6s77	2	93½	93½	93½	+ ½
Nippon 5¾s78	9	92	92	92	+4¼
Nipp fn5¾s78	16	92	92	92	
Norw fn5½s74	2	92	92	92	
Norw fn5½s77	1	92¼	92¼	92¼	
Norw fn5¼s73	2	97⅞	97⅞	97⅞	
Oslo fn5¼s78	3	89¼	89¼	89¼	
So Italy 5½s74	2	99	99	99	

Market Averages

Week Ended Nov. 20, '71

Dow Jones

	High	Low	Last	Chg.
30 Indust.	829.66	804.83	810.67	—2.27
20 Transp.	224.64	214.61	215.82	—7.22
15 Utils	112.15	109.69	110.91	—0.51
65 Comb.	283.25	279.65	281.56	—3.40

Standard & Poor's

	High	Low	Last	Chg.
500 Stocks	93.62	90.95	91.61	—0.51

American Exchange

Week Ended Nov. 20, '71

	Sales	High	Low	Close	Chg.
TWA wt	248,400	22⅝	19½	21⅛	+ ⅛
Unam T wt	186,300	10½	7¾	8⅝	—2⅛
Syntex	177,300	72⅛	67¼	69½	+1⅝
Imper Oil	143,600	28⅝	27⅝	28⅝	+1⅛
Fid Mtg Inv	143,300	25⅛	22¾	23	—1⅝
GuarMtgwt	135,080	12¼	8	9⅞	—2⅛
AsameraO	122,700	13⅞	12½	12⅝	— ⅝
PNB MtRwt	120,700	7½	5⅝	6⅛	—1⅛
Presley Dev	117,000	55⅛	49	50½	—4⅝
PickwckInt	111,100	33⅝	30⅝	30⅝	—1⅝

Volume: 15,174,335 shares.

Year to date: 943,705,075 shares.

Issues traded in: 1,275.

Advances: 309; declines: 779; unchanged: 187.

New highs 13; lows 264.

N.Y. Stock Exchange

Week Ended Nov. 20, '71

	Sales	High	Low	Close	Chg.
AmTel&Tel	720,600	42⅞	41⅛	42⅝	+ ⅝
CaterTrac	546,400	43⅞	39¼	39½	— 3⅞
PanAm	518,800	11⅛	10¼	11⅛	+ ⅜
Texaco Inc	506,500	31⅜	30⅛	30¼	— ⅝
Gulf Oil	505,200	25⅝	24⅛	24⅝	— ⅝
Kennecott	431,300	24⅝	20¼	21½	— 1½
AmGenIns	400,500	20⅝	19⅝	20	+ ⅝
RoyalDut	397,300	34¼	32	32¾	— 1⅝
Occid.Pet.	373,300	12⅝	12¼	12¼	......
TransWAir	368,600	37⅝	34	35⅛	— ⅛
Natomas	356,400	55	48⅝	48⅝	— 5¼
Gen Elec	331,700	58¼	55⅛	56½	+ ⅝
ContMtge	330,800	19¼	12¼	13	— 5⅝
Memorex	296,200	23⅞	20	20⅝	— 2
IntPaper	287,400	29⅝	28½	29¼	+ ⅛
GenMotors	280,100	77⅞	74⅝	77½	+ 2⅝
IntTelTel	277,400	48⅝	46¼	47⅝	+ ⅝
FordMot	274,300	65½	61⅛	64⅝	+ 1⅝
BauschLb	273,100	147½	133¼	133⅝	— 6⅝
ChesOhio	270,100	61⅛	46⅝	46	—13⅛

Issues traded in: 1,851.

Advances: 588; declines: 1,085; unchanged: 178.

New highs 17; lows 340.

Volume

Last week	60,957,500 shares
Week ago	61,862,680 shares
Year ago	48,702,100 shares
1971	3,423,394,576 shares
1970	2,535,438,631 shares
1969	2,536,632,411 shares

Treasury Bills

Due	Bid	Asked	Yield
Nov. 26	4.88	3.84	3.90
Nov. 30	4.60	3.80	3.86
Dec. 2	4.03	3.50	3.53
Dec. 9	3.84	3.43	3.47
Dec. 16	3.94	3.43	3.48
Dec. 23	2.06	3.68	3.72
Dec. 30	4.00	3.72	3.79
Dec. 31	3.97	3.61	3.67
Jan. 6, '72	4.13	3.90	3.97
Jan. 13	4.15	3.97	4.11
Jan. 20	4.17	4.03	4.12
Jan. 27	4.17	4.03	4.12
Jan. 31	4.13	3.97	4.06
Feb. 3	4.16	4.04	4.13
Feb. 10	4.17	4.05	4.19
Feb. 17	4.17	4.08	4.18
Feb. 24	4.18	4.02	4.12
Feb. 29	4.20	4.04	4.15
Mar. 2	4.23	4.07	4.19
Mar. 9	4.23	4.07	4.19
Mar. 16	4.23	4.07	4.19
Mar. 23	4.24	4.06	4.19
Mar. 30	4.24	4.06	4.19
Mar. 31	4.24	4.08	4.13
April 6	4.32	4.18	4.32
April 13	4.33	4.18	4.33
April 20	4.34	4.20	4.35
April 27	4.35	4.21	4.36
April 30	4.33	4.17	4.32
May 4	4.36	4.24	4.40
May 11	4.37	4.25	4.41
May 18	4.37	4.27	4.43
May 31	4.35	4.19	4.35
June 30	4.43	4.31	4.48
July 31	4.48	4.38	4.57
Aug. 31	4.49	4.37	4.56
Sept. 30	4.49	4.37	4.57
Oct. 31	4.48	4.39	4.61
Bond '82-87, 4¼s	80.12	81.12	5.81
Bond '93-88, 4s	79.0	80.0	5.83

Insurance Stocks

	Sales	Bid	Asked	Chg.
HartfdStBoil 1.44	120	45½	47	— ½
HomeBenef .64		26	26¾	
HomeSecur .40	2	17¼	18¼	
HoracMann .07s	23	13¼	13¾	— ¼
IndepLibty Lfe	4	3⅝	3⅝	
IndepLfAcc .72	5	30	30½	— ¼
IndianaIns .32		15⅝	17⅝	— ¼
Integon Cp .20	40	10⅝	10¾	— ⅛
Interfinct .15g	18	6⅝	7	
Intl Holding	7	4⅝	5⅜	
Int Invest Lfe	10	5⅛	5⅜	+ ⅛
InterstateCo .10g	38	19¾	20¼	— ⅛
InvGuaranty Lfe	44	11½	13	— ¼
JeffsnNatLf .20	11	11⅛	11⅝	— ⅛

	Sales	Bid	Asked
UnitSav Life	2	7⅝	[illegible]
UnitSvcLfe .30b	17	32⅝	[illegible]
Variable Annuz	33	14½	15
Vico Corp	12	7⅝	7⅝
VictoryLflns .30			
WashgtnNat .48	19	32⅝	33⅝
WashNat pf2.50	3	41¼	42¼
WestnCasS 1.48	22	75	76
WestnStLfe .15d	1	8¼	[illegible]
Windsor Life	10	5⅛	5½
WiscNatLfe .48		20⅞	21⅛
WorldSvcLf .10g	14	8⅞	9⅝
Zenith Nat Ins	32	9⅝	10
Zenith United	3	3⅞	4⅝

International Bonds

(A weekly list of non-dollar denominated issues.)

Units of Account

	Bid	Asked
Afr. du Sud 8¾-83	106	107
Australie 8⅞-86	107⅛	108¼
Cassa Mezzogiorno 6½-82	93	94
Cavado 7⅞-80	103½	104½
Centrest 8⅞-85	109	110
CCA 6⅞-78	105	106
CCA 6½-80	100	101
CCA 7⅝-84	99	100
CCA 8⅞-86	104½	105½
CECA 5¾-86	99½	100½
CFE 6½-86	94½	95½
CFE 7¼-78	100¼	101½
CFE 8½-79	105½	106½
Communautes Urb. 8⅝-86	103¼	104½
Credit Nat. 8⅝-86	105	106
CUP 7⅞-76	106½	107⅞
CUP 6⅝-77	103⅞	104½
Denmark (Kingd.) 8⅝-85	105⅝	106⅝
E.S.B. (Irl.) 8½-86	105	106
Escom 7½-78	103	104
Escom 8¼-86	102½	103½
Escom 9¼-80	108	109
Fomento 5½-78	99½	100½
Greater 5⅝-84	96½	97½
Imatran 6⅝-78	99	100
Manitoba 7⅞-89	98½	99½
Manitoba 9⅝-82	109⅝	110½
Nancy 8⅞-86	104	105
Norges Kommunalb. 5½-82	97	98
Norges Kommunalb. 7⅝-85	103	104
North Scot. 6⅝-84	108	109
Redernes 6⅞-80	98	99
Reed 6⅝-82	97	98
Sacor 1 6⅝-76	102	103
Sacor 2 6⅝-76	102	103
Sacor 3 6¾-76	105½	106½
Sacor 4 6¾-77	104½	105½
S.D.R. 8⅝-86	105¼	106½
SNCF 7⅝-86	105	106
Watney 7⅝-84	98	99

Deutsche Marks
(Average Price)

Brit. Elec. Council 7½-84	99.69
Burmah 8½-85	104⅛

	Bid
CFP 8½-85	104⅝
CRT 8½-85	104
Conoco 8½-70/85	104½
Daimler 8-86	104⅝
Denmark 8½-88	106
Dunlop 8½-85	106
Escom 8½-85	102¾
Hoogovens 8½-85	105½
ICI 8½-85	106½
Ind. Bank Japan 8½-85	104⅝
Ind. Bank Japan 7-82	97.20
Kansai 6⅞-84	92⅝
Ireland 8½-85	103
Ireland 7⅞-84	94⅝
ISE 7-84	99⅛
KLM 8¼-85	105⅝
Norges Komm. 8½-85	104
Queens Alum. 8½-85	104⅝
So. Africa 8½-85	105
Tenneco 7⅞-84	98
TRW 7½-84	98
World Bank 8⅝-90	105
Yokohama 7-84	95⅝

European Currency Units

	Bid
Afr. du Sud 8⅞-86	98
CECA 8⅞-85	104⅛
E N E L 7½-86	94⅞
Eurofima 7⅝-81	102
Interfrigo 7½-86	109

* For trading in DM.

French Francs

	Bid
Petrol BP 7⅝, 80	98⅝
Roussel UCLAF 7⅝, 79	98⅝
Eurofima 8¼, 78	101⅛
Ugine Kuhlman 8⅝, 78	101
Air Liquide 8¼, 81	102⅝

Luxembourg Francs

	Bid
CECA 7⅝ '71-83	101⅝
Eurofima 7⅝ '71-78	100⅝
BEI	98⅝
CECA* 7⅝ '71-85	100

*In dollars.

Bank Stock Quotations

Closing prices of the week's trading

	Bid	Asked
AmBk&TrCoPa	20	20½
Bankamerica	64½	64⅞
BkCommerceNY	27⅞	29½
Bank of N.J.	38½	40
BaystateCorp	35	36½
CentJBk&Tr	12⅞	13½
CentNBChic	27¼	28⅛
CentStBkBkl	11⅛	12
ClevelandTrust	78¾	79
ConnNBBridge	20	20½
DetroitBk&Tr	50	50½
Fidelity Bank	38⅝	39
FifThirCinn	30¾	31½
1st&MerNBRich	33¼	35
1stChicagoCorp	33	33⅝
1st NB Conn	24½	25½

	Bid	Asked
1st NB Maryl	21½	22½
1stPaBkPhil	33⅛	33½
1stWestchNB	45	47
FranklinNBNY	30⅝	30⅞
GirardTrBPhil	49¼	49⅝
HarrisTrBkChi	52½	53
IndValBTrPhil	26	26½
Lincoln1stBank	29	31
LongIslandTr	26	26¾
Mellon N Bk Pit	48⅝	49¼
Merch Bk NY	15⅝	16¼
NatCityBkClev	57¼	58
NatComBkRoth	33½	34½
NEnMerBoston	32½	33
NJ Nat Bk	21¾	22½

	Bid
NorthTrChicago	69⅝
PhilNatBk	40⅝
PittsNatBk	35⅝
ProvNBPhila	15⅝
Repub.NB N.Y.	28
RoyalNBN.Y.	23½
Secur.Pac.NB	37⅝
ShawinAssBos	49⅝
St.BkAlbany	35
StStrB Boston	40
TrustCo.NJ	14⅝
UnTrMaryland	49⅝
ValleyNBLI	35
VirginiaNBNS	22¼

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INTERNATIONAL
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Page 11 PARIS, MONDAY, NOVEMBER 22, 1971 * *

A Special Report

West German Banking and Finance

WEST GERMANY's aggressive banking and financial institutions played a major role in financing the country's booming recovery from World War II, and now they are reaping the rewards.

But bankers, businessmen and financiers alike are afraid the glittering economic miracle is becoming tarnished.

Business, whose exports have already been damaged by the revaluation of the mark, is caught in the pincers of inflation and declining sales. Stock prices have dropped five percent since January.

Industry is cutting its commitments—steelmakers are reducing their output 10 percent, capital goods production has dropped below its 1962 level, and unemployment is rising.

The cost of living has risen almost six percent in the last year, while wage costs are up 12.5 percent.

Deutsche Bank, the nation's largest, made a survey of 700 business clients and found declining profits, sharply rising production costs and reduced capital spending.

"There is hardly any company in the country that is not revising its capital spending program downward now," the bank's chairman, Franz Heinrich Ulrich, reported.

Ulrich has said bluntly several times that he fears a "chain reaction" loss of confidence will lead to a serious recession next year.

The Bonn government insists no major downturn is in the cards, but the reassurances have done little to salve business fears.

On the other side of the equation, German workers are already feeling the effects of the new mood. Companies have cut overtime, put some employees on shorter schedules, and unemployment is rising.

The country's five major economic institutes made some bleak predictions for 1972: A substantial rise in unemployment, almost no economic growth, and declining investment by industry.

Deutsche Bank's Ulrich, for one, insists the situation is even bleaker than the institutes say.

He and other business leaders also worry about the continued growth of American capital investment abroad at a time when the United States needs to convert its balance of payments from a large deficit to a surplus.

They also think the mark's effective revaluation against the dollar, which at one point went over 10 percent, is too high. More recently it has been in the 9.5 percent range.

...n Interview With Karl Klasen

...e in Germany all share the view that the present effective ...ation of the D-mark is too high. It is difficult to say what ...of the dollar would be right. . .'

...FURT.—Karl Klasen, a ...er of the Social Dem...arty since 1931, became ...of the Deutsche Bundes... after Chancellor Willy ...ok office in 1969. ...ars of commercial bank...n rose to the chairman...eutsche Bank, the na...gest, before taking the ...e central bank. In this interview, he spells out ...is views on the banks, ...s and the world cur...ation.

...pears that the continu...g of the mark is both ...porters' prices and mak...e difficult for them to ...es. Do you think this ...a threat to the balance ...ts if it continues? How ...ou think the float can ...before it causes serious problems?

...We are all aware that ...tes a major difficulty ...porters if the German ...s over-valued for a long ...s is why both the Fed...stry of Economics and ...and the central bank ...t before long we must ...an exchange rate which ...a proper valuation of ...rk. This rate should be ...ato with a wider margin ...ation than in the past. ...this to happen soon, and ...at it should be done be...end of this year, if pos...

...you think that it can in ...one before then?

...sidering the nature of ...ems, I regard it as pos...ause the solving of these ... questions is largely a ...matter.

...ealistic Rate

...a speech the other day ...in Hamburg, you said you ...the mark's effective 10 ...revaluation against the ...too high. In your opinion, ...a realistic revaluation ...what devaluation of the ...ould you like to see to ...is?

... in Germany all share the view that the present effective revaluation of the D-mark is too high. It is difficult to say what value of the dollar would be right. One must consider all this in conjunction with what other countries do. It makes a lot of difference whether the D-mark revaluation rate in relation to other countries is as high as at present, or whether it is much lower in relation to the other countries and higher only vis-à-vis the dollar.

If the average revaluation rate of the D-mark in relation to the rest of the world were, say, 2 percent, it would of course be economically easier for us to put up with a somewhat larger revaluation of the D-mark against the dollar.

It is really not possible to specify a rate. Precisely for the purpose of complying with the wishes of the Americans, namely that they achieve a sizable devaluation in relation to all other countries, I advocate that they should themselves devalue to a certain extent as well. If they were to devalue, it would apply vis-à-vis the entire world.

Lutz Kleinhans.

Dr. Karl Klasen

In any case, I am not thinking of a very substantial dollar devaluation.

Q—Do you think such a dollar devaluation is actually necessary from an economic-financial point of view, or is it more important as a demonstration—to encourage other countries?

A—I would not say that it is a demonstration. It would, rather, be a measure making it politically easier for some countries to arrive at a proper realignment of their parities. It is much simpler for a country to do nothing—that is, in the event of a dollar devaluation not to follow suit—than to come to the decision that it must itself upvalue or upvalue more. Secretary Connally was right here when he said in his speech to the International Monetary Fund that in economic terms it basically makes no difference how the result the Americans want to achieve is arrived at. But we wish to choose the most practical route, after all.

Q—In your Hamburg speech, you said Germany must have some sort of exchange controls. Do you think the plans for reserves against corporate borrowing overseas will be sufficient or is there a chance more direct restrictions will have to be imposed?

A—I did not use the term "exchange controls." What is meant here is the forthcoming law prescribing reserves against corporate borrowing abroad. The central bank welcomes this law, and wishes that in practice it should be applied not too generously, but strictly.

Credit Policy

Q—In your opinion, are the commercial banks regulated strictly enough today?

A—In Germany we have a very liberal and free system for banking, and on the whole we regard it as adequate. This does not rule out the possibility of it proving necessary in the future to enlarge or to change the instruments

(Continued on Page 12, Col. 6)

...utual Funds

German acceptance has grown considerably, but the country is still a virtually untapped market.

...FURT.—The shape of ...mutual fund market in ...rmany has changed sub... in the past two-and-a...rs. Once the happy ...ground of flashy, foreign ...moters who threatened ...ate the scene, home...utual fund companies ... the field.

... fund competition today ...sharply reduced, largely ...wo factors: a crisis of ...confidence following the ... of IOS, Gramco and ...gh-flying funds, and a ...governing foreign funds.

...ar, German funds' sales ...ived after showing a ...l decline in 1970; per... has improved and rel...w investors have cash...ir shares. In contrast, ...man investors have re...ore foreign fund shares ... bought in every month ...ince May 1970.

...presents a major turn... In 1968, 36 percent of ...l fund sales here were ...foreign funds. In 1969, ...0 foreign funds were ...heir wares in West Ger...e figure was 39 percent ...nptions were minimal.

...tapped Market

...h German acceptance of ...nds has grown consider... they were reintroduced ...the country still repre...irtually untapped mar...ts agree. In 1960, West ... bought 380 million ...mutual funds. Sales in ...ed well behind the two ...years, but they still ...5 billion marks.

...ermans now have more ...billion marks invested ...l funds, but analysts ...e figure will go much ...For one thing, West ...are beginning to realize ...tion erodes cash savings.

...tion, per capita invest...mutual funds here re...l below those of other ...countries.

...olders also have tax ad...that are not available ...holders of stocks and ...he 25 percent tax usual...eld on dividends of di...d securities is rebated ...share holdings.

...ly, the foreign funds ...eir access to this lucra...tory and have protested ...s of the new law. But ...rman authorities con...e new rules were neces... equalize regulation of ...man and foreign funds. ...of forbidding their citi... buy foreign stocks as many countries have done, West German officials say they have only tried to give investors in foreign and domestic funds the same kind of protection.

Under the new law, foreign funds must register with the *Bundesaufsichtsamt für das Kreditwesen*, a federal regulatory agency, appoint a West German representative and a West German bank to act as custodian. They must also disclose pertinent financial data and comply with specific rules on advertising and selling methods. (Foreign funds which are already listed on a West German stock exchange or which are only sold privately are exempt from the law.)

West German funds already comply with similar regulations. They also must name a custodian bank and their directors must meet specific requirements. Certain investments and practices are prohibited, including purchase of letter stock, investment in certain over-the-counter securities and "short sales."

BKW has not completed its examination of the 152 foreign funds which have asked for registration under the new law. But of the 80 funds examined thus far, only eight have passed muster. (The other 72 either withdrew their applications voluntarily or were rejected). Only two offshore funds were okayed, and one of these decided to forgo the opportunity of selling in Germany. Funds which are already registered with the U.S. Securities and Exchange Commission have not been examined, but BKW has said it expects most of them to pass.

Further curbs over foreign funds may be in the making.

(Continued on Page 13, Col. 4)

John Pearce.

The floor of the stock exchange at Frankfurt.

The Mark

Behind all the controversy, it remains clear the mark is the Western world's most sought-after currency.

FRANKFURT — Almost seven months after the mark was cut free to find its own exchange rate, the floating had become a very real peril to exporters and caused a serious public split in the West German government.

The cabinet feud threatened to spread from a family fight into a nationwide political issue, an ill omen for Chancellor Willy Brandt's tenuous parliamentary coalition.

The focal point of the argument was Economics and Finance Minister Karl Schiller, the guiding force behind the 1971 float and a major participant in the revaluation of 1969. He was economics minister in Chancellor Kurt Georg Kiesinger's "Grand Coalition" and remained to hold both the economics and financial portfolios in Mr. Brandt's government.

Behind all the controversy—a considerable amount of which found its way into the press—it remains clear that the mark is the Western world's most sought-after currency. And when the dust settles around the chaotic international financial situation, it is likely to keep its No. 1 position in Europe.

The arguments swirling around Mr. Schiller in the cabinet reflected fears that the revalued mark might bring on domestic political problems. He drew fire from both sides—Defense Minister Helmut Schmidt, a fellow Social Democrat, and Foreign Minister Walter Scheel, whose small Free Democratic party gives Mr. Brandt his slim majority in the Bundestag.

More important than the internal fights, the uncertainty about the mark's exchange rate and the steep rise in its free-market value have alarmed German exporters.

They are scared now of a recession such as the one West Germany went through in 1967. Then they could depend on exports to keep them afloat, but now they fear that the floating mark—and its accompanying price increases overseas—may close that avenue.

Germany's biggest market is France, but the combination of the franc's 12 percent devaluation in 1969, the mark's 8 percent upward valuation that year and the current effective revaluation of almost 10 percent have tilted the currency balance almost 30 percent in France's favor.

The United States is West Germany's third most important trading partner, following the Netherlands. Germany exported 11.4 billion marks in merchandise to the United States last year (against 12.1 billion in imports), and although the negative trend turned around during the first half of this year, the surplus was small.

Despite a surplus of 277 million marks overall in August, German exporters are still afraid of the potential effect of revaluation.

Mr. Schiller has gone out of his way to soothe them, but the doubt remains. Volkswagen, the nation's biggest manufacturers, said last summer it would lose 60 million marks a year for each 1 percent the mark floated upward. Bayer Chemical estimated its loss for the same rate of revaluation at 35 million marks, and the national airline, Lufthansa, said each percentage point would cost it 7.2 million marks a year.

Farmers are another group pained by the currency changes. Their earnings depend on a complex formula worked out by the European Economic Community based on the exchange value of each country's currency against the dollar.

Added to all this is a nagging fear that the country may be headed for a recession. The major companies are cutting back their expansion plans and talking of less overtime and shorter hours for their workers. The president of the Federal Labor Institute predicted last month that joblessness would rise and that the number of foreign workers in West Germany might drop by 40 to 45 percent, although he gave no time estimates.

The nation now has an un-

(Continued on Page 12, Col. 5)

German Banks

The trend in German banking is leading inexorably toward huge, all-encompassing organizations.

By John M. Pearce

FRANKFURT.—German banks, twice burned when they lost their foreign properties after the two world wars, are gingerly testing the waters again.

The banks already are masters of almost all they survey in Germany, and now they are rapidly forming alliances with other European banks against the eventual full integration of the Common Market.

Until recently they depended on representative offices and correspondent banks to handle their foreign business. But two months ago Commerzbank—smallest of the three largest privately held banks but still a massive institution—opened a branch office in the heart of New York's financial district.

The trend in German banking is leading inexorably toward huge, all-encompassing organizations with their headquarters in Frankfurt. Although the scene is still dominated by the "Big Three"—Deutsche Bank, Dresdner Bank and Commerzbank—they are overshadowed in business volume by the massive publicly owned Westdeutsche Landesbank-Girozentrale of Düsseldorf.

Despite the Big Three's dominance of the market, at the end of last year there were 8,549 separate banks with 32,251 branches in West Germany. About 200 operate in Frankfurt, the de facto financial capital.

In contrast, the country had 13,359 banks in 1957. Mergers have reduced the number steadily since then—987 credit institutions were swallowed up in 1970 alone.

German bankers do not view the combinations of the late 1950s and early 1960s as pure mergers, because the post-World War II occupation powers split the Big Three into 30 parts. Laws passed in 1952 and 1956 enabled them to recombine, and they long ago reached their prewar strength.

Not all of Germany's banks are held privately by stockholders, partnerships or proprietors, however. Many are publicly owned local or regional *Sparkassen*, or savings-and-loan associations, although they also offer checking accounts and the other far-reaching services of a German commercial bank.

"Every little town has its city or district *Sparkasse*," Götz Knappertsbusch, a deputy member of Commerzbank's management board, said in an interview.

"In many cases," he added, "the local *Sparkasse* is bigger than the local branches of the Big Three."

Relations are not always warm between the big private banks and the local savings banks. One reason, Mr. Knappertsbusch said, is that about 20 percent of the Big Three's deposits are savings, while the *Sparkassen's* 80 percent gives them the ability to put up strong competition for loans.

In addition, he contended, the local savings banks are normally content with a smaller profit than the big banks, and they have a lower tax rate.

In Good Shape

But despite the competition, the private German banks, with emphasis on the Big Three, are in good shape. Deutsche Bank's annual report said "cyclical tensions and a high-interest-rate policy" cut into its gains last year, but it was nevertheless able "to close 1970 with a satisfactory operating result." It had profits of DM 86.4 million, down from DM 120 million in 1969.

The other two members of the Big Three club reported similar profit drops. Dresdner Bank earned DM 72 million, down from DM 88 million the year before, while Commerzbank had a DM 59.5 million profit, compared to DM 62.5 million in 1969.

Despite the reduced profits, the banks maintained dividends at their 1969 levels by cutting payments to their reserves.

They also increased their business volume. Deutsche Bank's showed a 10.3-percent boost to DM 32.1 billion. Dresdner Bank's volume rose 16.1 percent to DM 22.1 billion, while Commerzbank increased its business by 12.6 percent to DM 18 billion.

Westdeutsche Landesbank of Düsseldorf, which was formed in 1969 from the merger of two giro institutions in the state of North Rhein-Westphalia, boosted its volume a respectable 13.2 percent to 34.7 billion. But all were overshadowed by the No. 4 joint-stock bank, Bayerische Hypotheken und Wechsel Bank of Munich, whose volume jumped 24.1 percent to almost DM 13 billion.

All Services

Unlike their American counterparts, German banks—including the *Sparkassen*—are universal banks, offering any and all banking services, from checking accounts to securities advice and

(Continued on Page 13, Col. 1)

Foreign Banks

'Customers are going back to their German banks in droves,' one foreign banker says.

By Janet Pearce

FRANKFURT.—Nothing illustrates the growth of West Germany's economic importance better than the pell-mell rush of foreign banks to set up shop here in recent years.

Although American institutions have led the pack, British and French banks have also expanded their German operations, and so have the Japanese. Banks from Brazil, South Korea, Spain, Iran and Jordan have branches here, and the Bank of Nova Scotia and the National Bank of Greece are among the newest arrivals.

Although the influx may be slowing, still more growth is expected. Two more U.S. banks and another British one have already announced plans to begin operations here. In addition, the Russians will arrive on the scene soon. Just two weeks ago, they announced plans to open a bank in Frankfurt, the first Soviet bank in West Germany.

There are now 11 U.S. banks operating in Germany. Four of them—two are wholly-owned German subsidiaries — arrived since 1969. During that same period, U.S. banks already located here opened eight new branches.

The three largest American banks are Bank of America, First National City Bank and Chase Manhattan Bank. Bank of America operates three branches under its own name; more than 20 are run by its totally owned subsidiary, Centrale Credit AG. First National City has six branches in West Germany, while Chase Manhattan operates five, in addition to the military bank that serves the U.S. Army European headquarters at Heidelberg.

A lot of the U.S. banks here make their living in the lucrative Eurodollar market. Now that the Bonn government has threatened to place reserve requirements on corporate borrowing abroad, their prospects may not be as bright. German companies' Eurodollar indebtedness dropped sharply in August and September as they paid back loans. If the trend continues, it could have serious repercussions on the operations of foreign banks.

"Many customers are going back to their German banks in droves," one banker said. Companies are hesitant to borrow Eurodollars now because the reserve requirement on top of the regular interest charge would make the cost prohibitive, he explained.

Most of the larger foreign banks have no interest in retail banking as such. They are here to lend money to big, multi-na-

(Continued on Page 13, Col. 3)

The Stock Market

A German exchange is a financial supermarket . . . It operates almost entirely under self-regulation.

FRANKFURT.—The stock market in West Germany isn't yet the average man's playground, but ownership of securities is growing much faster than in the United States—and so is the market.

The number of German shareholders jumped more than 400 percent during the 1960s, from 1 million to 4.6 million, compared to an increase of less than three times in the United States. But despite the phenomenal growth—reflection of the booming economy—only 7 percent of German households own stocks, compared to 15 percent of Americans.

The German exchanges have suffered from the same malaise that has sent stock indexes tumbling all over the world. Since the first of the year, stock values have fallen five percent, compared to 1.6 percent in the United States. Although the drop could have been worse—Italy's stocks have plummeted more than 17 percent—it is enough to feed the ready talk of recession.

Even though Germany is the unquestioned economic strongman of Europe, trading volume on its eight *Börsen* is only a fraction of New York's. But its stock listings are growing faster, thanks mainly to the clamor of foreign companies for admission. They more than replace German firms whose names come down from the trading boards as they merge into oblivion.

Despite the growth, however, the average middle-class German does not participate in the market or consider it a basic part of his financial security. Nor is the market's condition considered important economic news for the masses.

Brief Summaries

Many newspapers publish at least a brief market summary, but the most detailed reports are printed by the banks as daily leaflets—and even they do not cover every stock traded.

The impact of public ownership on the German economy is still far from what it is in the United States. Asked to compare them, a specialist for one German bank said the total market value of common stocks here is about 120 billion marks, while the nation's gross national product is 750 billion marks—about six times as great.

In the United States, he pointed out, stock value totaling $800 to $900 billion almost equals the trillion-dollar GNP.

The exchanges here had to face the same crush of heavy trading that nearly brought Wall Street to its knees in the late 1960s. But out of it emerged a streamlined market.

Only the distinctive German trading style of fixed daily prices survived. Old back-office methods have already been exchanged for modern computer operations in Frankfurt and Düsseldorf, the two largest *Börsen*, while the switch is near in third-place Munich.

For the five others—Hamburg, Hanover, Bremen and Stuttgart, plus Berlin—it is the inevitable wave of the not-too-distant future.

A German exchange is a financial supermarket where listed and unlisted stocks, bonds and foreign currency can be bought or sold. It operates almost entirely under self-regulation and although each land (or state) has a commissioner, there is nothing comparable to the U.S. Securities and Exchange Commission. The basic guideline is still the original Stock Exchange Law of 1896.

All trading is done through

(Continued on Page 12, Col. 5)

Foreign Exchange

The trend became clear when President Nixon cut the dollar loose—it fell, while the mark rose.

FRANKFURT.—The summer's monetary upheavals added an edge of uncertainty to West Germany's foreign-exchange markets, but the dealings went on much as before.

The floating of the mark on May 10 and of the dollar three months later gave the markets the air of stock exchanges. They lost their old image as places for trading commodities at almost fixed prices.

From day to day there was uncertainty about trading rates, although the trend became clear when President Nixon cut the dollar loose—it fell, while the mark continued its rise.

The same pattern might have gone on unchecked without the Bundesbank's decision in mid-September to once again buy dollars, which it had not done since the mark was floated.

The decision—made jointly with the government—followed fears that the widening gap between the dollar and the mark would endanger West German exports.

Dealers Approve

Bundesbank president Karl Klasen said the bank had not decided to intervene at any particular exchange rate, but would take steps "so as not to let the dollar fall endlessly."

The view was supported by foreign-exchange dealers for the banks. One said, "All they [the banks] want to do is avoid too hectic changes."

Foreign-exchange dealings in Germany are held on two levels: the official market, which is a nationwide adjunct of the stock exchanges, with rates set in Frankfurt, and the unofficial market, among the banks and between individual banks and the Bundesbank.

On the Börse, the official price is set each day, while the interbank market is free of formally set rates.

The Bundesbank also has a seat on the official market (Devisenbörse) here. While its Börse transactions are made in public, it surrounds its private dealings with secrecy.

Official trading between the mark and 15 foreign currencies takes place temporarily in a high-ceilinged room on the second floor of the Frankfurt Stock Exchange a dozen steps from the visitors' gallery above the stock trading floor. The usual site is being rebuilt.

Formal trading lasts only one hour—from 1 p.m. to 2 p.m.—but official sales and purchases between banks go on all day. It is impossible to determine how the total sales are divided, but one exchange official estimates that half is done outside normal trading hours.

The official trading day begins minutes before 1 p.m., when representatives of the German banks and sometimes the two American banks that are exchange members take their seats around a U-shaped table. Each has at least one telephone connected to his bank, and the bigger banks also have telephone booths at the other end of the room for private conversations.

Blackboard for Prices

At the open end of the "U" sits a table for three men—the Kursmakler, who take orders and set the prices—and behind them is the blackboard where the prices are listed.

The dollar's price is the first to be set. When trading opens, the banks' representatives give their orders in soft voices that contrast with the shouts heard from the nearby stock trading floor. At the same time, the Kursmakler speaks rapidly into one and then another of the forest of grey telephones on their desk, taking orders from other exchanges.

He balances the buy and sell orders, then fixes a price designed to insure the highest turnover.

When the Bundesbank intervenes during formal market hours, it has its agent—who always sits to the left of the Kursmakler at the end of the U-shaped table—bid for dollars just like any commercial bank.

Even when the seat is empty, as it frequently is, a Bundesbank representative is usually there to watch.

"Five million for the Hessische Landesbank," the Kursmakler called out a recent day as a large order came in. There was an order from Chase Manhattan Bank, and a babble of others, each to be written in the Kursmakler's order book.

After 15 minutes the orders were in and the Kursmakler announced the price.

The watching crowd of Börse employees and interested bankers melted away, and the three Kursmakler began taking orders for other currencies.

The Stock Market

(Continued from Page 11)

the banks, the only legal brokers for the public.

German companies list their stocks less frequently than U.S. firms because, as the German bank specialist explained, family ownership of even large businesses is more common here. Those family businesses which do issue stock frequently keep it all in their own hands or, as in the case of the industrial giant, Krupp, leave it with a foundation.

Only 450 stocks were listed on all eight exchanges at the end of 1970, compared to 1,377 on the New York Stock Exchange. As in New York, the number has been falling as companies have merged and left the list. But especially in Frankfurt, the rising number of foreign companies seeking admission more than balanced the thinning German ranks. The foreign listings left Frankfurt with a slight increase last year, while Düsseldorf's listings fell.

20 Corporations

Among the 20 foreign corporations accepted for listing in Frankfurt during 1970 were Chrysler Corp., Litton Industries, Procter & Gamble Co. and Continental Oil Co.

Along with increased listings has come increased turnover. For all eight exchanges, the only form in which the figures are published, turnover of both foreign and German stocks and bonds jumped from 5.8 billion marks in 1963 to 15 billion marks in 1970. Monthly figures for early 1971 indicate that it will be another banner year.

Rising volume had the predictable effect on paperwork, but preparing the summaries of prices and each market's index has been made considerably easier by the new computer systems in Frankfurt and Düsseldorf. Their major function, however, is to prepare the lists of sales and purchases.

Since early 1969, when the Frankfurt central securities depository and clearing house switched from standard business machines to a leased IBM 360-30 computer system, the process of transferring ownership has been finished within two hours of the end of trading.

The computer also prepares magnetic tape or punch cards that the banks can use to sort out their customers' accounts. Final payment is made two days after the trade, rather than five days as in New York.

Necessity was the mother of all this innovation, but it would not have been possible without a long-standing institution called *kassenverein*, a central securities depository that has virtually done away with physical transfer of bought and sold certificates.

The *kassenverein* began in in Berlin and, by 1942, [illegible] were 11 regional depositories for each exchange. During W... War II, the function was [illegible] ferred to the central bank, Reichsbank, but afterward [illegible] turned to private organi... Three of the exchanges [illegible] what is now East Germ... were lost to the system, ... is now a *kassenverein* [illegible] with every West German ... change.

They are similar to the [illegible] Certificate Service launch... 1968 by the NYSE. Almos... certificates are kept in ... vaults, and ownership change... made only as bookkeeping en... *Kassenverein* records show that a bank owns the secu... and specify whether it is [illegible] bank's own account or hel... a client. It is up to the [illegible] to keep records of which [illegible] er owns what.

Banks Hold Shares

Under German law, banks safeguard the shares, forwa... tices from the companies ... do not know who their [illegible] holders are) and even raise [illegible] holders' specific questions [illegible] jections at annual meetings.

Most stockholders give banks a general power of ... ney to vote the shares. B... banks in return must ma... commendations which the... tomers can accept or rejec...

The law that only bank... act as stockbrokers, and [illegible] sic conflict with America... which keeps the two busi... separate, has effectively shu... banks and brokerage house... of the German market.

Major brokerage firms ha... fices here, but only to ... their clients for the ... market. "Even if I wa... a German stock, I'd ... York," the manager of ...

Bache & Co. was a... the stock and bond ma... 1967 by buying a German ... But the Federal Reserve ... and the SEC limited the ba... that function and would no... mit it to carry on comm... banking. This reduced B... chances to turn a profit by ... ing it to borrow capital in a ... market, while the German ... had sizable savings depo... draw on.

As a result, Bache closed ... bank's stock operations ... year.

Different Approach

Three American banks, on ... other hand, have used a ... ferent approach. Chase ... hattan Bank and Chemical ... New York Trust Co. joined ... Frankfurt exchange, and ... of America joined the Düss... exchange to take part in ... eign exchange dealings. ... has done any stock or bond ... ing, although it would be a... ed under German law.

Because of these barrie... participation of American ... stitutions, German banks ... trol the field, which is dom... ed by the "Big thr... Deutsche Bank, Dresdner ... and Commerzbank. Ame... institutions that want to b... sell securities for their custo... (usually at the request of ... foreign branches) normall... through one of the big thr...

Although there is no ... regulatory agency, the exch... have woven a tight web of ... regulations and practices ... with the banks' huge ... resources, leaves no room for ... American plagues as ... failures.

Once a month, exc... representatives meet to decid... best common approach to ... problems. The result is un... practices at all eight ... changes.

The banks are free to ... their commission charges ... In typical fashion, they ... agreed on a standard fee of ... tenths of 1 percent of ... transaction. If two banks ... ticipate (for example, if ... National City Bank ... Dresdner Bank to buy or se... one of its customers) they ... the fee evenly.

In some cases, the comm...

(Continued on next pa...

The Mark

(Continued from Page 11)

employment rate of seven-tenths of 1 percent and a labor force of just over 22.5 million, of whom almost 10 percent are foreign "guest workers" (Gästarbeiter).

To compound its problems, the government is still trying to cope with inflation of almost 6 percent in the last year.

However, Mr. Schiller contends that the floating mark is not a major factor in recent price increases. He points out that after it was cut free in May it rose only 5.5 percent above the currencies of Germany's 15 most important trading partners.

"That is no rate for the enterprises to fear," he told a German newspaper interviewer.

Nevertheless, the free market did revalue the mark against every major currency except the Japanese yen. At the end of six months of floating, the revaluation ranged from 9.7 percent against the dollar to one-tenth of 1 percent for the Swiss franc, according to figures published daily by the Bundesbank.

The average price against all the world's currencies was 6.5 percent, while world currencies measured against the dollar rose only 4.7 percent. The gaps have widened since the U.S. government floated the dollar Aug. 15.

The increases were figured from official quotations on the Frankfurt exchange.

Despite its obvious strength, Mr. Schiller contends that the mark should not and will not move into the vacuum left by the dollar. "Not even remotely do we think that the mark might become a standard such as sterling has been, and as the dollar is now," he said after he met with Italian leaders in September.

No 'Mark Zone'

He also indicated that the Brandt government has no interest in seeing the mark edge all other European currencies out. "We do not want to create a 'mark zone' because that would be a fatal error," he declared.

Mr. Schiller's view was at least indirectly endorsed by four of Germany's five major economic institutes, which called for solving the lingering currency crisis with a worldwide, permanent float.

Failing that, they said, parity margins should be substantially widened.

Last spring, the institutes' recommendation for a revalued mark led to intense speculation, which in turn led to the current float.

They suggest now that the money standard of the non-Communist world be changed from the dollar to some sort of artificial medium such as the International Monetary Fund's Special Drawing Rights.

Mr. Schiller's approach has contributed to the frictions in the cabinet.

He suggested that the Common Market countries adjust their currencies into closer alignment than before and present a united front against speculative dollars such as those that flooded West Germany when the floating appeared imminent.

France rejected the plan, setting up its two-tier exchange system of official and commercial francs, and little further progress has been made. Deputy ministers of the Group of Ten met in Paris in October, but could agree only that more discussions were needed.

Some of Mr. Schiller's cabinet colleagues now contend that he presented his plan to the other EEC countries in a brusque, undiplomatic way in Brussels last August and that this has complicated the solution.

Unless the mark is repegged soon, they contend, the country may be thrown into a recession and the government will have to answer for rising unemployment—an unpleasant prospect.

"If possible, we must return to fixed exchange rates by Christmas," one cabinet member has been quoted as saying. And Foreign Minister Scheel has cautioned that the West German government must take great care to stay in concert with the other Western nations, notably including the United States.

Klasen

(Continued from Page 11)

of credit policy of the central bank in certain respects.

Q—As the German economy moves away from the massive rebuilding of the first postwar years, and more and more of the ordinary people have money, do you think the banks are moving rapidly enough to serve the small customers in such areas as checking accounts and loans? Are the Bundesbank or federal government doing anything to encourage this?

A—It is of course difficult to have an overall view of these matters. For my part I have the impression that there is a great deal of competition among the banks to attract the small customer, who, of course, if the plans for promoting the formation of personal assets develop further, may become a much bigger customer tomorrow. The competition to attract the small customer is very keen—that can be seen from the amount of advertising aimed at this customer by the banks. That it is not possible in all instances, owing to shortage of staff, to do everything that might be considered ideal is of course another matter.

I do not think that it is necessary for the authorities to intervene here or to make further suggestions.

Q—I was told by one banker just this morning that his customers frequently raise questions about the possible conflict of interests between a bank's work as a stockbroker, its own ownership of stocks and its credit operations. We were told at the Economics Ministry in Bonn that the government thinks the system is not entirely satisfactory and will propose changes to reduce the influence of the big banks over the Börsen.

My question is, do you think the current system of universal banking is entirely right for Germany now and in the future?

His Experience

A—This is a question which I, who spent over 30 years in a "universal bank," most of them on the board, am not able to answer wholly objectively, but more on the basis of my own experience. My experience is that the banks can distinguish very well between these things. The various types of business are dealt with in completely different departments.

In point of fact, I regard the universal bank system as the right one, and I see virtually no reason to change it in Germany. The reconstruction of the German economy after the war shows that the system has served well in the past. But other people who are less well acquainted with these things, or whose experience has been different, may hold other views.

Q—A prominent American magazine has made this comment: "The floating of the German mark will not end until controls have been devised for the Eurodollar market." Do you agree?

A—It is difficult for me to answer this since I do not know what the writer of the article means by "controls." That on the whole I tend towards this view you will have gathered from my answers to earlier questions and from what I said in my Hamburg speech. That means, I think, that we cannot entirely dispense with control of the inflows of short-term funds from abroad.

Q—Has any progress been made on a joint policy of European central banks to regulate Eurodollars?

A—At the moment there is a lull in these efforts. With monetary conditions as they are, this is not in fact the most urgent task. The question of how to act on the Eurodollar market cannot be usefully considered until it is known what the monetary system of tomorrow and future parities will look like.

Q—German business has dominated the Eurodollar market, taking home an estimated $12 billion during 1970 and early 1971. Will adequate capital be available here if this financing source is cut off?

A—We can be sure that not all the money will leave the country at once. According to our estimates, a total of roughly DM 33 billion of short-term loans has been raised abroad. These large sums will not all flow back at the same time, nor is this the goal we wish to achieve. What we want is to reduce this sum, and to try and ensure—this will be a task for the central bank—that no liquidity problems arise in the process.

هكذا من الأصل

...man Banks

(...ued from Page 11)

...rom savings accounts ...industrial credits, both ...domestic.

...sources are immense— ...ing business, for ex- ...make up for a weak ...securities department. ...ult, there is virtually no ...ement to split them up ...style. There is some ...mainly of the poten- ...ct-of-interest between ...own substantial owner- ...common stocks, their ...licies, the advice they ...rities customers and ...ion as the sole stock- ...ailable to the public.

...king specialist in the ...Ministry in Bonn lik- ...situation to a splinter ...nd—an irritant better ...with, but not a threat ...he government has said ...ove to reduce the big ...fluence over the stock ...but the legislation has ...introduced in parlia-

...k trying to do some- ...rent is the young but ...Bank für Gemein- ...Its shares are held ...nions and cooperative ...and it says it is "in- ...the little man."

...of its effort it tries ...e with the Hypothe- ...the traditional mort- ..., for home loans. Five ...it founded a separate ...fically for employees' ...duction savings. The ...nt board of that sub- ...ank für Sparanlagen ...ögensbildung, is con- trolled by representatives of the customers.

In combination, the banks are trying to entice customers away from the Bausparkassen, specialty banks similar to the permanent building-and-loan societies of the United States. Normally a customer must wait from a year and a half to four years, making regular payments to the bank, before he gets his low-interest home loan. The two new banks are trying to shorten that time and still offer competitive interest rates.

Virtually every major bank has control over other banks, but a considerable amount of their economic (and resulting political) strength derives from their broad ownership of stock in non-financial companies.

Deutsche Bank, for example, owns more than 25 percent of Daimler-Benz AG, the auto manufacturer, while all of the Big Three own stock in a major German department store chain, Kaufhof AG. Together, they control more than 60 percent of its stock.

Shipping Interests

Deutsche and Dresdner Banks each own more than 25 percent of the stock of Hapag-Lloyd AG, the shipping line, and Dresdner Bank and Commerzbank together hold all the stock of Lübecker Flender-Werke AG, of Lübeck, a shipbuilding company.

In addition, the banks have substantial investments in other credit institutions. For legal reasons they do not operate in West Berlin, but each has a fully owned bank with its own network of branches in the former capital.

Deutsche Bank lists investment in or outright ownership of 29 other credit institutions within Germany and Berlin. Dresdner Bank's annual report lists 20, and Commerzbank is part or entire owner of at least 16 other German banks.

Bank für Gemeinwirtschaft has 50 percent or more interest in at least six other banks.

In addition to their outright stock holdings, the banks do a sizable amount of underwriting of stock issues. Support of one or two of the major banks is a requirement for listing on the German stock exchanges. They also participate regularly in syndicates underwriting major loans and stock issues.

The widespread agreement that the current system is not particularly troublesome is combined with a relaxed regulatory system, headquartered in the Bundesaufsichtsamt für das Kreditwesen in Berlin.

A spokesman there called it a "liberal oversight system." The overseers have a professional staff of 70 who keep watch for bank difficulties reflected in the periodic reports the banks forward through the Bundesbank.

The bank supervisory office came into being in 1962, although the central government took its first steps toward a nationwide supervisory system after bank failures shook the depressed nation in 1931.

The Bundesbank helps with regulation by keeping watch over the banks' lending activities and reviewing their periodic reports.

Nothing marks the progress of the banks so much as their moves into the rest of the world. As Commerzbank's Mr. Knappertsbusch noted, "If Common Market union comes, banks must work in all the EEC countries."

The view apparently is the same in the board room of every big bank, because they are moving rapidly toward a system of intra-European partnerships. In the case of Commerzbank's alliance with Banco di Roma and Crédit Lyonnais, only legal obstacles prevented a full merger into a single trinational bank.

International Groups

The other banks also have their foreign associations.

Deutsche Bank last year set up the European Banks' International Company (EBIC) in cooperation with Amsterdam-Rotterdam Bank N.V., Midland Bank Ltd., and the Société Générale de Banque S.A. This was an expansion of the four banks' earlier cooperation, which began in 1963. They already had set up three subsidiary organizations and made plans for others, and have opened joint representative offices in Africa, Asia and Canada.

Dresdner Bank is intensifying its cooperative efforts with three partners who operate the Société Financière Européenne of Paris and Luxembourg. Its affiliates are the Algemene Bank Nederland, Banque de Bruxelles, and the booming Bayerische Hypotheken und Wechsel Bank, a Bavarian regional bank.

In addition to its French and Italian partners, Commerzbank has a subsidiary, Commerzbank International of Luxembourg, for the short-term Euro-money market.

Westdeutsche Landesbank is a participant in the Orion group of three separate institutions in London. Its associates are the Chase Manhattan Bank of New York and the National Westminster Bank of London.

Foreign Banks

(Continued from Page 11)

tional companies doing business in Germany and abroad.

Foreign bankers characterized the German business climate as free, but fiercely competitive, since banks are allowed to establish their own rates for services and loans. "There are a vast number of foreign banks here and we're all going after the same business," one bank official explained. "Many large German companies use their connection with us to put pressure on the German banks and the local economy as far as rates are concerned."

The banks of smaller foreign countries fulfill slightly different functions. Some of them engage in import-export banking and handle the funds of their own nationals who work as contract laborers in West Germany. Others have opened representative offices, which serve informational purposes, instead of branches.

Several British banks have been located in Hamburg for years, engaging mostly in import-export financing. But lately some have begun Frankfurt operations. The newest is Lloyds Bank Europe Ltd., which opened its first German location here on May 10.

Assistant Manager Paul Brown explained some of the reasons his bank decided to come: "Germany is the strongest economy in the EEC, with a very strong currency. We had branches elsewhere in Europe but we felt we should have a tap open to the German market as well. Now that England will join the Common Market, it becomes even more important to be here."

One bank official marveled at the ability of some of the smaller U.S. institutions to survive in Germany. "From 1966 to 1968, there was an abundance of funds here," he said, "but now this has changed, and I really wonder what they are doing to make ends meet." He estimated start-up costs and first-year expenses of a German location at $300,000 to $400,000.

'Fantastic Growth'

H. Bartils, assistant general manager of Chase Manhattan's German operation, said that his organization had experienced "fantastic growth" since it began its expansion program in 1966. At that time, the bank had 146 employees and now there are 450, he said. Asked to predict what lies ahead, the Chase official said he believed the bank had fulfilled its original expectations for expansion. "I would say our growth now would slow to a more gradual 5 or 10 percent a year," he added.

At First National Bank of Chicago, John Anderlik said that that bank's two branches have demonstrated a good, steady growth in volume since the first one was established five years ago. Mr. Anderlik, vice-president and general manager for Germany, said that his organization had fulfilled its original goal of servicing the needs of its U.S. customers overseas. In the future, the emphasis would be on playing a bigger role in the German market with loans to large German and multi-national companies, he said.

Mutual Funds

(Continued from Page 11)

There has been discussion in Bonn of tightening regulation of real estate funds and those which invest in something other than property or shares.

West German mutual funds were founded by the nation's commercial or savings banks, which also handle redemption and sale of the shares. Even today, most of the 15 West German investment companies which manage the funds are owned by banks although a few are controlled by building and loan associations and insurance companies.

Recently, West German funds specializing in real estate and in investments within West Germany have become increasingly popular with both foreign and domestic investors.

Managers of West German funds have mixed views about the effects of the razzle-dazzle tactics of some of the foreign funds on the West German market. Some point out that the domestic funds' real growth began after 1966, when they were severely challenged by foreign competition. Until that time, West German funds were not too well known and their growth had been fairly static. Others point out that the resounding crash of some of the glamorous off-shore firms badly shook investors' faith in the mutual fund concept.

"Their salesmen were not selling units of mutual funds, they were selling fairy tales," said one well-known Frankfurt mutual fund executive.

In spite of the world trade imbroglio, a worsening domestic economy and slack in the U.S. and West German stock markets, fund managers here remained optimistic about the future of the fund business in West Germany.

"At the moment there are 1.5 million unit holders in West Germany," said J. A. de Ridder, joint managing director of Deutscher Investment-Trust. "I think perhaps we will have five million in two or three years," he forecast.

Mr. de Ridder predicted most of that future growth would occur in medium-size portfolio investments (from 10,000 to 15,000 marks). "In fact, I think the chance for growth here is better than in the United States," he said.

Wolfgang Meilen, deputy director of Union Investment Gesellschaft, agreed in a separate interview that the fund concept was in West Germany to stay. "I think the fund business is still a growing market . . . one which is increasing faster than other sections of the banking business," he said. "But the fact that our per capita figures are so low indicates there is still a lot of work to be done here to educate our investors."

Stock

(Continued from preceding page.)

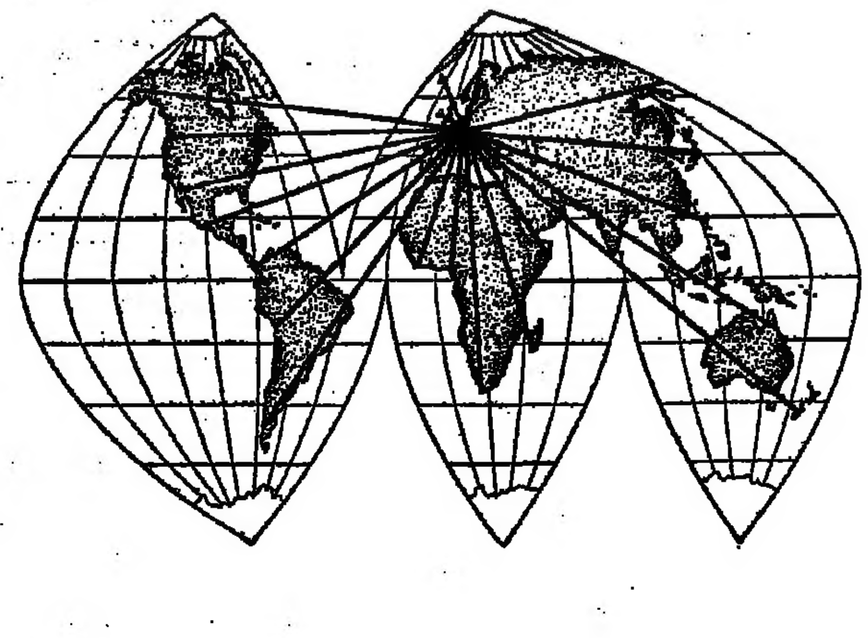
is negotiated downward, but not often. A specialist for Citibank said that most of the 50 or fewer transactions he oversees every day bring the full commission.

Cooperative fixing of the rules and prices without official government approval is one obvious difference between the U.S. and German approaches.

Another is the method of trading. Although a minority of very active stocks are traded in American-style open auction during the standard two-hour (11:30 a.m. to 1:30 p.m.) day, most are traded at a fixed price set by the *kursmakler*. He is a sworn official of the exchange who accepts buy-and-sell orders for the first hour, then fixes the price of each stock at the figure that will insure the highest turnover. He does not buy stocks or bonds for his own account.

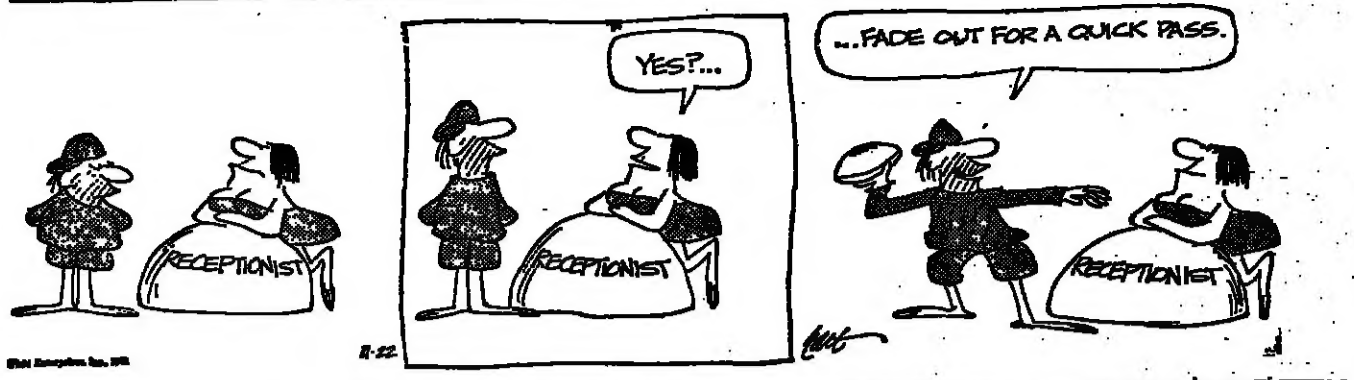
Another type of trader, the *freie makler*, act as intermediaries between the banks and may buy or sell for their own account. They help to insure that markets are available. The *freie makler* firms had the most trouble during the tight money and booming markets of 1968. In Düsseldorf, three of them were suspended—the only suspensions since 1948.

The system insures a highly orderly market and eliminates any possibility of rapid, unchecked changes in a stock's price. So tight is the control that, if the *kursmakler's* figure varies more than 10 percent from the previous price, one of the exchange's governors must decide if the price is fair and sign the order book to allow trading to continue.



PEANUTS

B.C.



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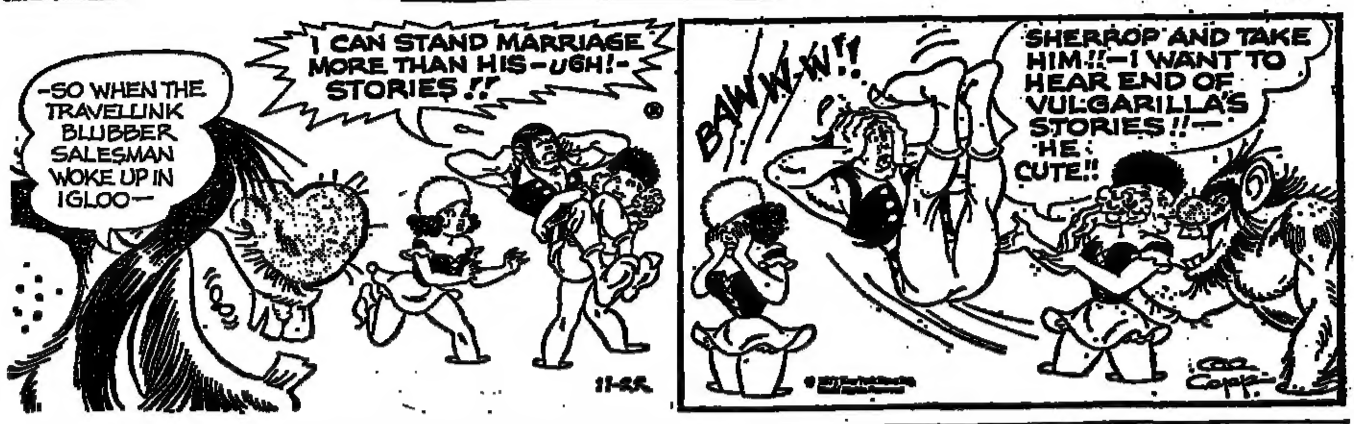
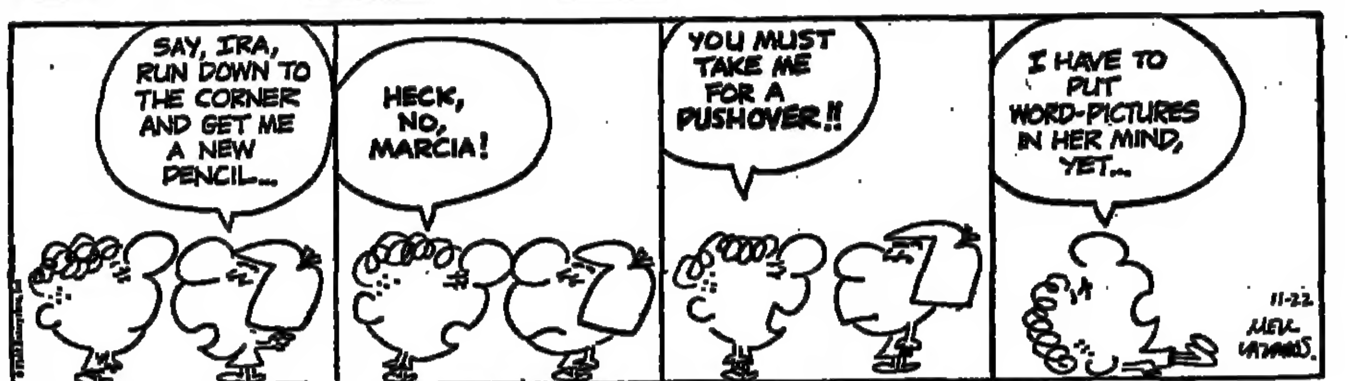


BEETLE BAILEY

MISS PEACH



BUZ SAWYER

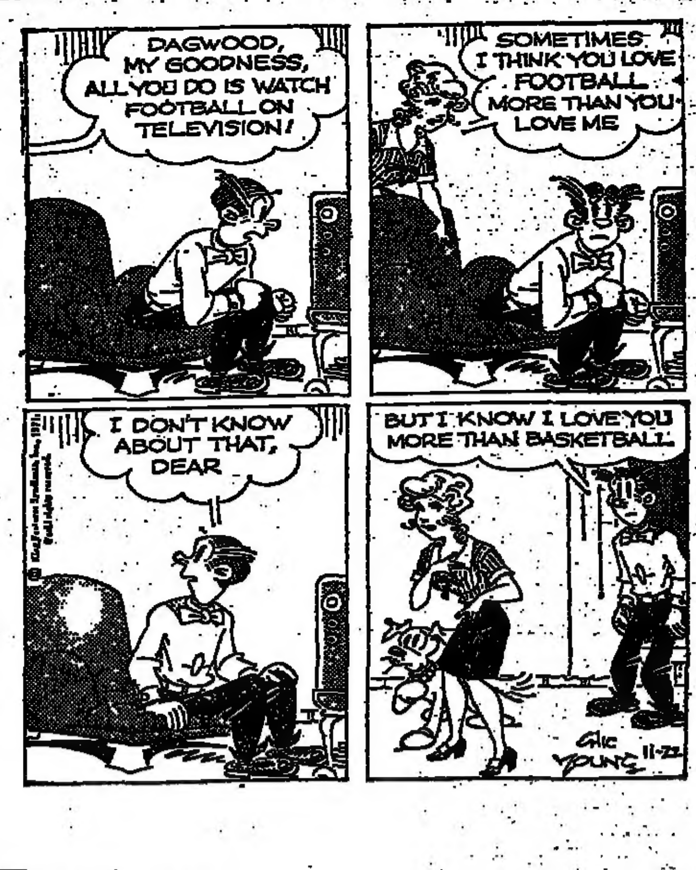
WIZARD of ID

REX MORGAN M.D.

POGO

RIP KIRBY

BLONDIE



BRIDGE

By Alan Truscott

The North-South partnership reached an excellent diamond slam on the diagramed deal.

North opened with one club, a Precision bid showing 16 or more high-card points. When his partner made a positive response of two diamonds, showing at least a five-card suit, he decided to conceal the spades, at least temporarily, and head directly for a diamond slam.

North's next three bids were asking bids. Three diamonds asked about the quality of his partner's diamond suit—the response of four hearts showed possession of all three top honors. Five diamonds asked for the diamond length, and the minimum response of five hearts showed minimum diamond length—five cards.

Finally, an asking bid in spades revealed that South held second-round control, clearly a singleton, and North settled in six diamonds.

The opening lead of the heart queen was won in dummy and the spade ace was cashed. A small spade followed, and when East put up the queen the declarer made a key play by discarding a club instead of ruffing. East returned a spade, and South was in control. He ruffed high, drew trumps, and claimed the remaining tricks. Dummy's spades were established, so he was able to make five trump tricks, four spade tricks, two clubs and one heart.

Notice that South would have lost control of the hand if he had ruffed the second round of spades with a high trump. If he attempted to recover by giving up a spade trick East would be able to play his last spade effectively.

However, there were other maneuvers. The declarer could have surrendered the first round of spades. Or he could have cashed both spade winners in dummy and surrendered either the third or fourth spade trick to East.

NORTH (D)
♠ AK8543
♡ A
◇ J3
♣ A1074

WEST
♠ J10
♡ QJ1075
◇ 8652
♣ J5

EAST
♠ Q962
♡ K83
◇ 97
♣ Q982

SOUTH
♠ 7
♡ 9642
◇ AKQ104
♣ K63

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♣	Pass	2 ◇	Pass
3 ◇	Pass	4 ♡	Pass
5 ◇	Pass	5 ♡	Pass
5 ♠	Pass	6 ♣	Pass
6 ◇	Pass	Pass	Pass

West led the heart queen.

Solution to Friday's Puzzle

C	L	A	W	■	P	I	L	A	F	■	G	W	E	N
H	A	H	A	■	A	D	A	N	O	■	R	A	V	E
A	N	A	T	■	C	L	E	A	R	W	A	T	E	R
■	A	B	E	C	K	E	T	■	W	I	Z	E	N	S
■	■	■	R	U	E	D	■	■	A	V	E	R	■	■
A	N	T	L	E	R	■	W	A	T	E	R	W	A	Y
L	O	R	O	S	■	D	E	M	E	S	■	H	U	S
O	L	E	O	■	W	I	S	E	R	■	H	E	S	A
M	A	A	■	G	A	M	E	S	■	P	O	E	S	Y
A	N	D	W	A	T	E	R	■	O	U	T	L	I	E
■	■	W	I	P	E	■	■	G	N	A	W	■	■	■
T	R	A	D	E	R	■	T	E	E	N	A	G	E	■
W	A	T	E	R	M	A	I	N	S	■	T	O	R	E
I	R	E	S	■	A	D	O	R	E	■	E	B	O	N
T	A	R	T	■	N	O	N	E	T	■	R	I	S	E

DENNIS THE MENACE

"MR. WILSON REALLY LIKES ME! HE SAYS I'VE GOT A LOT OF NERVE!"

JUMBLE® — *that scrambled word game* by HENRI ARNOLD and BOB LEE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YEEND

CUDHY

SMAICO

GUBREO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print the SURPRISE ANSWER here

(Answers tomorrow)

Saturday's Jumbles: RAINY CANAL IMPUGN HAWKER

Answer: *No standing for this big shot when he does his job*—THE "CHAIR MAN"

BOOKS

THE WINDS OF WAR

By Herman Wouk. Little, Brown. 885 pp.

Reviewed by Christopher Lehmann-Haupt

THE dreary feeling with which I turned to Herman Wouk's huge new novel, "The Winds of War," has deep roots. It all started at that famous victory party at the end of "The Caine Mutiny" (1951), when defense lawyer Barney Greenwald suddenly turned on the acquitted mutineers and delivered Wouk's final judgment that it was they, not Capt. Queeg, who were the villians of the story, because of their failure to support the troubled Queeg as an example of the professional military man who had saved America from the Nazis.

The trouble there was that we readers would not have stayed around to witness that final scene had not Wouk so cleverly continued to persuade us of the justice of the mutiny and the villainy of Queeg. After that, Wouk's moral fudge thickened.

In "Marjorie Morningstar" (1955) he tried to teach us about the danger of assimilation for a Jewish girl by leading us through hundreds of pages outlining assimilation's appeals, only to end on an ambiguous note. In "Youngblood Hawke" (1962), he mounted a cantankerous, semiliterate attack against the very values his fiction had been exploiting. And in "Don't Stop the Carnival" (1965), he disappeared into vapid comedy.

Imagine then my surprise upon discovering that his latest, longest novel is not a bad book at all—a considerable comeback, even.

For it is set in a world where Wouk seems once again at home, and where his values can roam freely to smite their enemies without decapitating themselves. It exploits to the utmost his first-rate story-telling ability without confusing the issues. And it succeeds most admirably in that always tricky business of combining true history with fiction, and actual characters with fictional ones.

The winds of war in this case are the hurricanes that blew over the globe's surface from 1939, just prior to the signing of the Hitler-Stalin pact, to 1941, just after Pearl Harbor. Wouk has taken a fairly ordinary person and placed him in the eyes of the storms; he has told his story of the coming of the war from the point of view of a single humble American naval officer named Victor "Pug" Henry.

Pug Henry is a clever fictional invention. A toughminded, model officer who longs only for another tour at sea, he is assigned at the start of the story to serve as American naval attaché in Berlin. His shrewd forecast of Germany's imminent nonaggression pact with the Soviet Union brings him to the attenti[...] President Roosevelt. He [...] signed by FDR to become [...] official emissary. So he [...] on the stage of history; [...] tory unfolds before us.

Thus with Pug Henry [...] only sit down to confer [...] Hitler and his henchme[n] [...] Goering's hunting lodge; [...] watch FDR bed down fo[r the] night in a sleeping car to [...] Park; we shake Stalin's han[d] [...] converse with him; we a[re lec]tured by Churchill; we are [...] bled by Adm. King's stony [...] we bomb Berlin; visit the [Rus]sian front in the winter of [...] and view the attack on [Pearl] Harbor from high on a h[...] short, with Pug and the [mem]bers of his family we are v[irtual]ly everywhere it was worth [...] in those two years, experi[...] virtually everything it m[...] to experience, from the p[...] tion of the Jews to the [...] cussions on developing U-[...]

Implausible? Not really. [...] himself muses, there hav[e] [...] many like him in history [...] men plucked out of obscu[rity] [...] serve the uses of great m[...] to be dropped back into [...] ity when no longer nee[ded]

The only caveat is no[...] it all too seriously. [...] same old Herman Wou[k] [...] ing duty, honor, co[...] his arms grow stiff; [...] shipping quick-witted [...] tion while denigrating [...] lectuals; waxing offensive[ly] [...] gish about the immorality [...] New York showbiz scene; [...] general heaping his stage [...] overeasy equations by the h[...] ful.

Nor ask of "The Winds of [War]" the kinds of questions that historical fiction begs. [...] Shakespeare's history pla[ys] [...] to be read as thinly di[sguised] commentaries on Shakes[peare's] own time; if Tolstoi's "Wa[r and] Peace" was an attempt t[o con]struct a mid-19th-century [...] of history out of the Napo[leonic] wars, then "The Winds of [War]" is nothing more than adv[ice to] contemporary America to [be] armed, be vigilant, and [...] heed the lessons of Munic[h] [...] vice that some readers ma[y find] stale and simplistic in t[he pres]ent context.

But credit Wouk for [...] produced superior kitsch. [...] still, credit him for havin[g] the wisdom to return [...] latest drama to a period he [...] and feels and can spin [...] yarns about. Here at last [...] ney Greenwald's voice is [...] clear from beginning to en[d.]

Mr. Lehmann-Haupt is [...] York Times book reviewe[r.]

CROSSWORD

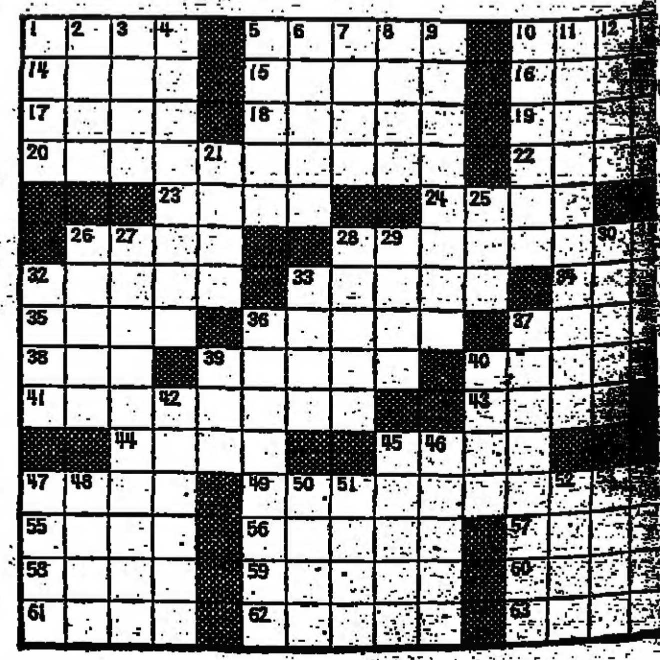
By Will [...]

ACROSS

1 Clan
5 Adjust
10 Author's concern
14 Jack of TV
15 Lips: Prefix
16 Money in Istanbul
17 Color
18 Maine town
19 Article
20 Field pests
22 Whoa!
23 Pipe material
24 Fraulein's name
26 Out of harmony
28 Weapons of 15th century
32 Skims along
33 Common funds
34 Social affair
35 Network
36 Garden flower
37 Russian council
38 Carney
39 Grass unit
40 Potter's clay
41 Family members
43 Tilt
44 Way to Mandalay
45 Bard's foot
47 Bench occupants
49 Mineral-finding devices
55 Advantage
56 Zola
57 Spare
58 Heavenly being, in Paris
59 Ascended
60 Raines or Fitzgerald
61 Originator of political animals
62 Metric measure
63 Ooze

DOWN

1 Surmise, for short
2 —— other
3 Prefix for mutuel
4 Shorten
5 Goodby to Oahu
6 —— and Joan
7 Name at top of a list
8 Engine knock
9 —— for words!
10 Puckered textile finish
11 Urban pests
12 Mountain: P[...]
13 Pack down
21 Red and blue [...] Abbr.
25 Relatives of [...]
26 Warn
27 Vigorous da[...]
28 Gangsters
29 First-class
30 Resign
31 Ball-balance[r]
32 Religious m[...]
33 Heraldic fu[r]
36 Inept worke[r]
37 Advances th[e] basketball
39 Youth org.
40 Egyptian danseuse
42 Hot spiced d[rink]
45 Lazy one
46 Coeur d'——
47 Pair
48 Arm bone
50 Leave out
51 River to the Seine
52 African river
53 Miss Storm
54 Cinch



Dolphins Beat Colts

wboys Take 1st rom Redskins

TON, Nov. 21 (UPI).
ger Staubach scram-
-yard touchdown and
kicker Mike Clark
field goals today as
Cowboys shut out the
Redskins, 13-0, and
the Eastern Division
National Football Con-

n, the Cowboy defense
foolproof performance
down the victory that
a half-game edge in
with four games to

e featuring hard hit-
on the opposing lines,
s marched 86 yards
own the first time they
ll. The drive was cli-
Staubach, on a third
g situation, broke out
ket and streaked 29
he score.
hird period, Clark—a
roster addition for
Fritsch—kicked a 26-
goal to stretch the
to 10-0.
he fourth quarter, he
48-yarder to clinch

m's top runner, Larry
held to only 37 yards
1 carries and even the
ervice of Sonny Jur-
in the third period
the sputtering Red-
moving.
replaced Bill Kilmer
tes 14 seconds in the
was twice intercepted
skins went for their
ight game without a

ins 17, Colts 14

Nov. 21 (AP).—Garo
kicked a 20-yard field
6:59 left today and
Miami edged Balti-
per Bowl champions,
e a crowd of 75,312 in
Bowl.

The Dolphins leaped to a game and a half lead over Baltimore in the American Conference East with the NFL's best won-lost-tied record, 8-1-1.

The Colts are now 7-3.

Earl Morrall, taking over after fallow pro John Unitas was hurt trying to throw a block, marched the Colts to a tying touchdown before Miami boomed within range for Yepremian's field goal.

Vikings 23, Saints 10

At New Orleans, defensive back Charles West set up Minnesota's first touchdown by returning a short field-goal attempt 61 yards and the Vikings went on to defeat New Orleans, 23-10, before 83,130 fans.

The Saints and Vikings matched rugged defenses through most of the first three quarters, but quarterback Bob Lee, starting his first regular season game for the Vikings, skirted right end for a four-yard touchdown run with 4:26 left in the third period. The score came on the third play after West snared a 53-yard field goal attempt by Charlie Durkee and returned it 61 yards to the Saint 30.

Chiefs 28, Broncos 10

Len Dawson spoiled the debut of Denver's head coach Jerry Smith by throwing three touchdown passes that helped Kansas City to a 28-10 victory over Denver in Kansas City.

Dawson hit Morris Stroke with a 39-yarder on Kansas City's second possession. The quarterback, 36, came back four minutes later with a 69-yard pass play that rookie Elmo Wright spread on the Denver 40 and hauled into the end zone. Dawson threw a 12-yard scoring pass in the third quarter to Jim Otis. Dawson completed 11 of 19 throws for 234 yards.

Eagles 37, Cards 20

Philadelphia took advantage of four St. Louis fumbles and four interceptions as Tom Dempsey kicked three field goals to lead the Eagles to a 37-20 victory over the Cardinals in St. Louis.

Lions 28, Bears 3

Bill Munson came in for an ailing Greg Landry and, capitalizing on several Chicago mistakes, led Detroit to a 28-3 victory over the Bears in Chicago.

The victory boosted the Lions past the Bears to second place in the Central Division of the National Conference with six victories against three defeats and a tie.

Browns 27, Pats 7

Cleveland scored three touchdowns to snap a four-game losing streak with a 27-7 victory over the New England Patriots in Cleveland.

The Browns, now 5-5 and tied for first place in the American Conference's Central Division, jumped off to a 10-0 lead in the first period as quarterback Bill Nelsen battled 55-mile-per-hour winds and hit on five passes in third-down situations.

Bengals 28, Oilers 13

Rookie Fred Willis of Boston College punched across two touchdowns and veteran Virgil Carter passed for two more in leading Cincinnati to a 28-13 home triumph over Houston. The Bengals, still hopeful of winning the Central Division championship in the National Conference despite seven defeats, scored touchdowns three of the first four times they had the ball to avenge an earlier 10-6 loss to the Oilers.

Jets 20, Bills 7

Bob Davis threw for two touchdowns and the New York Jets intercepted four Dennis Shaw passes in the first half to deal Buffalo its 15th straight NFL loss, 20-7, in Buffalo.

Steelers 17, Giants 13

John Rowser returned an interception 70 yards for a touchdown and Preston Pearson ran back the second-half kickoff 77 yards to set up another score, giving Pittsburgh a 17-13 victory over the New York Giants.

The victory evened the Steelers' record at 5-5 and kept alive their bid for the first division championship in their 39-year history.

gers Lose ık, Fall n First

INGTON, Minn., Nov.
—Minnesota's Tom Reid
go-ahead goal in the
iod and the North Stars
more to beat the New
ngers, 4-1, last night.
first loss in 15 games
York.
ory put the North Stars
st-place tie in the Na-
ckey League West with
which lost to Boston.
ped the Rangers into
ace in the NHL East
ntreal, which tied Phil-

adiens 2, Flyers 2
hovlich's goal at 2 min-
onds of the third period
treal to a 2-2 tie with
ia. It was the third
Canadiens in their last
, and in all three the
have had to come from

ins 2, Hawks 1
cyk's goal off a Bobby
the third period snap-
le and gave Boston its
ight victory, a 2-1 de-
Chicago.

s 4, Penguins 2
bourin's goal at 11:34
l period snapped a 2-2
Louis went on to score
ry over Pittsburgh.

s 2, Red Wings 1
y scored on a rebound
remaining for the go-
to give Los Angeles
ry over Detroit for the
t victory of the season

e Leafs 5, Seals 1
eriod goals by Ron
Henderson and Denis
ke open a close game
beat California, 5-1.

aturday's Games
4, New York 1 (Nanne,
Cameron; Tkaczuk).
Chicago 1 (Bucyk, Mc-
Hull).
2, Philadelphia 2 (P.
hournoyer; Nolet, Gendron).
California 1 (Keon, Mon-
e, Ellis, Henderson; Bol-
4, Pittsburgh 2 (Byers,
yer, Sabourin; Polis 2).
es 2, Detroit 1 (Pulford,
perry; Rochefort).

eight Champ oed of Title ugar Water'

AIBO, Venezuela, Nov.
rs).—Betulio Gonzalez,
he world flyweight box-
st night because his op-
pposedly had "sugared
his corner, emerged
ost-fight turmoil today
"I shall never fight

, of Venezuela, was
he World Boxing Coun-
en the defending cham-
to Salavarria of the
, was disqualified after
und fight here.
sh was at first scored
—which would have
e Filipino to retain his
after this decision
nced to enraged local
enezuelan Boxing Com-
lleged Salavarria had
runk from a bottle of
water" during the fight.

United Press International.

BROUGHT TO EARTH—LSU tailback Art Cantrelle dives for a three-yard gain as he is stopped by Notre Dame linebacker Eric Patton.

Inkslinger Takes U.S. Steeplechase

By Steve Cady

CAMDEN, S. C., Nov. 21 (NYT).—Against a background of old wealth and new hope, Inkslinger charged to a dramatic victory yesterday in the second running of the $100,000 Colonial Cup Steeplechase.

Last year's American hurdles champion won it by a neck from Soothsayer after the two 4-year-olds, the youngest horses in a field of 15, had cleared the 17th and final fence together.

Top Bid, last year's winner, finished third, eight lengths back of Soothsayer and three lengths ahead of the favored Shadow Brook in the race of 2 miles 6 1/2 furlongs.

Inkslinger, owned by Mrs. Martha Jenney of Unionville, Pa., and ridden by 29-year-old Tommy Carberry of Ireland, seized his opportunity when Mrs. Marion duPont Scott's Soothsayer made a poor landing after the last fence.

That gave Mrs. Jenney's gelding a chance to draw out enough to beat back a counterbid by Soothsayer in the slightly uphill run to the finish.

[Inkslinger, part of a three-horse entry in the New York Off-Track Betting pool returned $10.20 for a $2 win bet as the third choice with New York bettors.]

There were no official odds on the contestants here, since pari-mutuel wagering is prohibited in South Carolina. However, the winner, one of three horses in the race trained by Mike Smithwick, was quoted at 5 to 1 by most of the bookmakers who took action while the police looked the other way. Shadow Brook was 3 to 5.

What the sponsors are hoping is that lots of novices saw the race on television in cities along the Eastern seaboard, including New York, where the OTB Corp. conducted a special betting pool.

Steeplechasing needs friends and the tweedy set hopes horseplayers now may recognize a steeplechase as something other than an amusement park at Coney Island.

Carberry had never been on the winner's back until Friday, when he took him out for a canter, and he had never taken him over a fence before yesterday. After the first few barriers, Inkslinger was never worse than fourth.

Under the weight-for-age conditions of the Colonial, Inkslinger and Soothsayer carried 149 pounds each, as did the other two 4-year-olds, Dauncy and Dream Magic. Top Bid and Shadow Brook shouldered 160 apiece.

A widely scattered crowd of about 16,000 turned out for the five-race program in dazzling sunshine at the 600-acre Springdale Course owned by Mrs. Scott. The Phippses and the Mellons and the du Ponts were here, and Sen. Strom Thurmond, Gov. John West and Raymond Guest, the former ambassador to Ireland.

Queen Elizabeth of England sent a telegram expressing regret she didn't have a horse good enough to send over for the race. It was that kind of affair.

Only two foreign horses got to the post, compared with 10 in last year's field of 22. Once again, Augustin Stable's Wustanchef was the only horse to come without a rider. He stumbled and lost Mike O'Brien at the seventh fence, the same barrier he fell at last year.

Clever Scot, an English horse, was in contention early, but finished ninth. Overdose, a mare from Norway, came back slightly lame in 13th place.

Rosewall Beats Newcombe, Faces Okker in WCT Semi

HOUSTON, Nov. 21 (Reuters).—Ken Rosewall, 37, of Australia, defeated fellow-countryman John Newcombe, 7-5, 6-2, 5-7, 6-3, Friday night to reach the semifinals of the $100,000 World Championship Tennis playoffs.

In the last of the quarter-final matches, Tom Okker of the Netherlands crushed Marty Riessen of Evanston, Ill., 6-3, 6-3, 6-0.

Okker plays Rosewall and Rod Laver will take on Arthur Ashe in today's semifinals. The winners meet next Friday in Dallas for the $50,000 first prize to complete the inaugural 20-tournament million-dollar World Championship of Tennis circuit.

Newcombe, 27, has played only six matches in the past two months while recuperating from an injury to his right knee. He strained ligaments in the final of the U.S. Open doubles at Forest Hills, and then aggravated the injury in the Embassy Indoor championships in London three weeks ago.

Rosewall is seeded third and Okker second here, but the veteran Australian has beaten Okker both times they have met this season.

Laver, 33, has an even bigger series advantage over Ashe, 28. He has defeated Ashe five times this year and has an 11-0 won-lost career record over the former U.S. Davis Cup star.

Laver gained the semifinal with an easy victory over Bob Lutz, and Ashe made it by stopping South African Cliff Drysdale in four sets.

Battrick Wins

LONDON, Nov. 21 (UPI).—Britain swept the singles titles at the Dewar Cup indoor tennis tournament yesterday with Welshman Gerald Battrick downing South Africa's Bob Hewitt and Virginia Wade beating American Julie Heldman.

Battrick, losing finalist in all four previous men's singles finals on the circuit—three times to Hewitt—took the £750 ($1,800) first prize with an 0-6, 6-1, 6-3 victory.

Miss Wade took the women's trophy for the second time in four years, plus a £600 ($1,500) prize with a 6-1, 6-3 victory.

Johnson, Beman Tied in Azalea

WILMINGTON, N.C., Nov. 21 (AP).—George Johnson shot a six-under-par 65 yesterday and Deane Beman had a 67 to move into a tie for the third-round lead in the $85,000 Azalea Open golf tournament.

Johnson, a non-winner in three years on the pro tour, and Beman had 54-hole totals of 204, nine under par on the 6,575-yard Cape Fear Country Club course.

They held a one-stroke lead over Cleveland Open champ Bobby Mitchell, who had another 67 for 205.

ABA Results

Saturday's Games

Kentucky 129, Carolina 107 (Issel 38, Gilmore 32; Miller 33, McDaniels 22).
Denver 117, Florida 97 (Simpson 27, Becker 17; Tucker 30, Calvin 18).
Utah 102, Dallas 90 (Wise 25, Jones 19; R. Jones 16, S. Jones 18).
Pittsburgh 113, Memphis 103 (Thompson 36, Brisker 29; Williams 24, Jones 17).

The Scoreboard

TENNIS — At Johannesburg, Jan Leschly of Denmark, the tenth and last seed, won the Clowa Classic tournament by beating the fourth seed, Manuel Santana of Spain, 6-7, 6-3, 6-2. Santana had won his previous four matches here without dropping a set, while Leschly had lost once. Tom Gorman of Seattle beat Cliff Richey of San Angelo, Texas, 6-2, 7-6, for third place.
At Buenos Aires, Yugoslav Zeljko Franulovic beat Hector Romani of Argentina, 6-7, 6-2, 6-3, 6-4, while Czechoslovakian Milan Olecak beat Chilean Patricio Cornejo, 6-3, 7-5, 6-3, in the fourth open championship of Argentina.
AUTO RACING—At Cape Town, South Africa, an Austrian, Helmut Marko, and a Rhodesian, John Love, sharing a Lola T212, won the three-hour endurance race at the Killarney Circuit. Averaging 100 miles an hour around the 1.8-mile circuit, Marko and Love held off Brian Redman and Mike Hailwood of England in a Chevron Vega. Redman and Hailwood were second, one lap behind, and Guy Edwards and Terry Croker, also of England, in a Lola T212, were third, three laps behind.

NBA Results

Friday's Games

Cincinnati 110, Boston 106 (Archibald 27, Fox 24; Havlicek 29, White 26).
Chicago 148, Philadelphia 104 (Love 25, Walker 25; Cunningham 17, Lougherty 16). Rookie Howie Porter scored 21 for the Bulls.
Baltimore 125, Buffalo 105 (Marin 24, Clark 20; Chambers 19, E. Smith 16).
Los Angeles 104, Houston 99 (Goodrich 32, Hairston 18; Hayes 26, Meely 22). Lakers take 10th straight.
Milwaukee 108, Seattle 107 (Jabbar 36, Dandridge 28; Haywood 36, Kojis 23). Kareem Jabbar's two free throws with six second to play give Bucks victory.
Portland 118, Cleveland 105 (McKenzie 31, Wicks, Smith 17; Wesley 32, Davis 26).

Saturday's Games

New York 126, Baltimore 114 (DeBusschere 35, Frazier 22; Clark 27, Marin 23). Sub Phil Jackson scored 18 points for Knicks in fourth quarter.
Golden State 107, Milwaukee 100 (Russell 29, Mullins 28; Robertson 25, Dandridge 18). The Bucks 10-game winning streak is snapped.
Atlanta 115, Phoenix 109 (Bellamy 30, Siegfried 31; Silas 24, D. Van Arsdale 21).
Detroit 103, Buffalo 96 (Walker 35, Lanier 20; Hazard 23, R. Smith 16). Bob Lanier had 18 rebounds.
Chicago 123, Boston 105 (Love 38, Sloan 26; Havlicek 30, Cowens 25).
Seattle 104, Portland 100 (Haywood 25, Kojis 20; Wicks 27, Gregor 15).

Une de Mai Trots To Victory in Milan

MILAN, Nov. 21 (UPI).—French trotting great Une de Mai moved into the lead after 1,500 meters and went on to score a two-length victory today in the 25 million lire ($40,000) Grand Prix of the Nations 2,100-meter race at the San Siro racetrack.

Driver Jean-René Gougeon kept the mare back during the early running and started to move on the second lap to easily beat the second-place finisher, Barbablu Bertaina was third and Keystone Spartan, an American-bred horse which beat Une de Mai last week, was fourth.

Hawks Trade Bridges

ATLANTA, Nov. 21 (UPI).—The Atlanta Hawks of the National Basketball Association Friday traded forward Bill Bridges, a 10-year member of the team, to the Philadelphia 76ers for forward Jim Washington.

College Football Scores

East

Dartmouth 33, Princeton 7.
Temple 13, Villanova 13.
Penn. St. 55, Pittsburgh 18.
Connecticut 34, Holy Cross 17.
Columbia 24, Brown 6.
Kings Point 20, Fordham 0.
Boston U. 33, New Hampshire 7.
Lehigh 48, Lafayette 19.
Syracuse 28, West Virginia 24.
Ohio U. 30, Marshall 0.
Rutgers 28, Colgate 10.
Cornell 41, Penn 13.
Bost. Coll. 35, Massachusetts 0.
S. Conn. 28, Cent. Conn. 15.
Harvard 35, Yale 16.
Delaware 46, Bucknell 0.
W. Chester 38, Edinboro St. 14.
Haverford 38, Swarthmore 21.

South

Tennessee 21, Kentucky 7.
North Carolina 38, Duke 0.
No. Carolina St. 31, Clemson 23.
Virginia 29, Maryland 27.
Richmond 21, W&Mary 19.
Citadel 47, Davidson 7.
Vanderbilt 10, Tampa 7.
Morehead St. 10, Eastern Kent. 7.
Western Kent. 24, Murray St. 10.
Kentucky St. 30, Savannah St. 0.
Kansas St. 28, Memphis St. 21.
Tenn. Tech 14, Middle Tenn. 3.
Southern Miss. 17, Virginia Tech 8.
Quantico Mar. 21, Gustavus Adolphus 10.
NW La. 14, Southeast La. 6.
Chattanooga 31, Virginia Military 8.
Fayetteville St. 30, Cheney St. 0.
Livingstone 21, Shaw 6.
N. Caro. Cent. 14, N. Caro. A&T 13.
Jackson St. 17, Miss. Valley 7.
Virginia St. 14, Morgan St. 12.
Miles 54, Alabama A&M 0.
South Carolina 24, Wake Forest 7.
Virginia Union 14, Hampton 7.
Florida St. 45, Tulsa 10.
Louisiana St. 28, Notre Dame 8.
Florida A&M 31, Bethune-Cook. 30.
Grambling 31, Southern Univ. 3.
Houston 27, Miami 6.
So. Caro. St. 37, Dela. St. 0.
Tenn. St. 61, Central State 0.
Stamford 30, Delta State 24.
Louisiana Tech 23, NE Louisiana 0.
Livingston 28, Tenn.-Martin 7.

Midwest

Michigan 10, Ohio St. 7.
Indiana 38, Purdue 31.
Northwestern 28, Michigan St. 7.
Minnesota 23, Wisconsin 21.
Indiana Central 17, Butler 12.
Illinois 31, Iowa 0.
Balt.-Wallace 24, Ashland 17.
Miami (O) 43, Cincinnati 7.
Kansas 7, Missouri 2.
Ohio Northern 37, Georgetown (Ky.) 7.
Dayton 28, Bowling Green 16.
Iowa St. 54, Oklahoma St. 0.
Illinois St. 21, Wisc. (Milw.) 0.
Wayne St. 9, Hillsdale 0.
Southern Ill. 35, Cent. Mich. 8.
Northern Illinois 14, Xavier (Ohio) 9.
NE Missouri St. 44, Missouri (Rolla) 13.
Wash. & Lee 28, Washington (Mo.) 6.
Valparaiso 34, Wagner 18.
SE Missouri 16, Cent. Missouri 5.
Lincoln 13, Southwest Missouri 7.
Findlay 37, Wilmington 30.
Akron 7, Youngstown 0.
Toledo 41, Kent State 6.

Southwest

Arkansas 15, Texas Tech 9.
TCU 20, Rice 19
SMU 20, Baylor 6.
Lamar 22, Texas (Arl.) 14.
North Texas St. 31, Wichita St. 10.
New Mexico 49, Wyoming 14.
Trinity (Tex.) 28, Arkansas St. 11.
East Texas 24, Tarleton 10.
Miss. Coll. 29, Northwood (Tex.) 9.
Ark. Tech 44, Ark. AM&N 20.
Drake 33, W. Texas St. 28.
SW Texas 29, Texas A & I 24.
S.F. Austin 10, Sam Houston 6.
Angelo 45, Sul Ross 14.
Howard Payne 45, McMurry 10.
Colorado St. 24, Tex.-El Paso 7.
Texas Lutheran 20, Bishop 0.
Cameron 27, E. Cent. Oklah. 21.
NW Okla. 51, Langston 28.
NE Oklahoma 17, SE Okla. 7.
Harding 20, St. Coll. of Arkansas 7.

West

Colorado 53, Air Force 17.
Utah 17, Brigham Young 15.
Southern Calif. 7, UCLA 7.
Utah St. 42, Idaho 13.
Stanford 14, California 0.
Oregon St. 30, Oregon 29.
Wash. 28, Wash. St. 20.
No. Colorado 25, Adams St 15.
Boise St. 28, Coll. of Idaho 21.
E. Wash. 35, Oregon Tech 15.
Whitworth 31, East. Oregon 27.
Weber State 38, Idaho St. 21.
Arizona St. 49, San Jose St. 6.
San Diego St. 39, Arizona 10.
Portland St. 38, Montana 29.

Michigan Edges Ohio State

Alabama vs. Nebraska in Bowl; Oklahoma Will Meet Auburn

NEW YORK, Nov. 21 (AP).—Coach Paul (Bear) Bryant predictably predicted "one hell of a game" after his Alabama team yesterday accepted a bid to play Nebraska in the Orange Bowl in Miami on New Year's Day.

Meanwhile, the Oklahoma and Auburn football squads spent yesterday saying "yes" to Sugar Bowl officials.

One of those two games may decide the "national championship."

As of now, all four powerhouses are undefeated and rated within the top five of the major college polls (Michigan is in there somewhere). But the teams still have one game left and the odds are that only two of the four will remain with perfect records.

On Thanksgiving Day, Nebraska goes to Oklahoma and on Saturday Alabama and Auburn go at it in Birmingham.

"Speaking for our team and athletic department, we are highly honored to be playing in the Orange Bowl, especially against a fine educational institution like Nebraska with truly a great team and one of the all-time great coaches in Bob Devaney," Bryant said last night. Alabama, and its three "national title" rivals had a day off yesterday.

"We appreciate the confidence the Orange Bowl selection committee is showing in us and hope that we prove worthy of their confidence."

It will be Alabama's 25th bowl game, and the 13th in a row. The Crimson Tide and Nebraska have met twice before. First, Alabama defeated Nebraska, 39-28, in the 1966 Orange Bowl on the way to a national championship, and next, in the 1967 Sugar Bowl, Alabama beat the Cornhuskers, 34-7.

Nebraska was ranked No. 1—such as it is now—in the nation last year and defeated LSU, 17-12, in the Orange Bowl.

In New Orleans on New Year's Day, it will be Oklahoma's formidable wishbone against Auburn's Pat-and-Terry passing show.

For No. 2 Oklahoma, it is the first trip to the New Orleans Bowl game in 20 years. This will mark the first appearance in the Sugar for fifth-ranked Auburn.

The Tigers sport a tough passing combination in quarterback Pat Sullivan and receiver Terry Beasley.

Both teams boast 9-0 records.

Penn St. in Cotton

DALLAS, Nov. 21 (UPI).—Penn State, which boomed its season record to 10-0 yesterday with a 55-18 rout of Pittsburgh, accepted a bid yesterday to face the Southwest Conference champ, probably Texas, in the 36th annual Cotton Bowl classic.

Coach Joe Paterno announced acceptance of the invitation for the Nittany Lions's second trip to the Cotton classic shortly after his team had beaten the Pitt Panthers in Pittsburgh.

It took Penn State only 33 minutes to run up a 48-0 lead as Lydell Mitchell contributed three touchdowns and 182 yards rushing in 20 carries.

Mitchell emerged with a National Collegiate record for touchdowns in one season. The former mark was 23, shared by Steve Owens of Oklahoma (1969) and Bob Gaiters of New Mexico State (1962). Mitchell had 23 before the game, and now has 26. Penn State still has one regular-season game remaining, at Tennessee Dec. 4.

Ga. Tech vs. Miss

ATLANTA, Ga., Nov. 21 (AP).—Georgia Tech and Mississippi, two of the most colorful teams in the history of postseason football battles, have been matched for the annual Peach Bowl game on Dec. 30 here.

Georgia vs. N.C.

JACKSONVILLE, Fla., Nov. 21 (AP).—It will be a showdown between the Dooley Brothers in the Gator Bowl Dec. 31 as Georgia meets North Carolina, champion of the Atlantic Coast Conference.

Vince Dooley coaches the Bulldogs while his brother Bill is coach for Carolina.

North Carolina won the holiday trip to Jacksonville by trouncing Duke, 38-0, yesterday to win their first Atlantic Coast title. They have a 9-2 record, with losses to Notre Dame and Tulane.

Colorado vs. Houston

HOUSTON, Nov. 21 (UPI).—Colorado and Houston, two teams who have lost twice each this season, accepted invitations yesterday to play in the 13th annual Astro-Bluebonnet Bowl on New Year's Eve.

Colorado finished its regular season with a 9-2 mark by defeating the Air Force Academy, 53-17, yesterday at home and voted unanimously to accept the invitation. It will be Colorado's second appearance in the bowl in five years.

Houston accepted shortly before winning its final regular season game, 27-6 over Miami (Fla.) in Houston last night. Houston has a 8-2 record, with losses to Alabama and Arizona State.

Bowl Picture At a Glance

Orange (Jan. 1, night)—Nebraska vs. Alabama.

Sugar (Jan. 1)—Oklahoma vs. Auburn.

Gator (Dec. 31, night)—Georgia vs. North Carolina.

Liberty (Dec. 20)—Tenn. vs. Arkansas (probably).

Cotton (Jan. 1)—Penn State vs. Southwest Conf. winner (probably Texas).

Rose (Jan. 1)—Stanford vs. Michigan.

Astro-Bluebonnet (Jan. 1, night)—Colorado vs. Houston.

Sun (Dec. 18)— Iowa State vs. Louisiana State.

Peach (Dec. 30)—Georgia Tech vs. Mississippi.

Dartmouth, Cornell End In Ivy Tie

PHILADELPHIA, Nov. 21 (NYT).—Ed Marinaro completed one of the greatest careers in college football yesterday as he ran for 230 yards and five touchdowns to give Cornell a 41-13 victory over Pennsylvania and a tie with Dartmouth for the Ivy League championship.

Dartmouth routed Princeton, 33-7, yesterday and the co-leaders finished with 6-1 won-lost records in Ivy League games.

Marinaro's outstanding achievement is a three-year career total of 4,715 yards rushing. No other major college football player has ever run that far in three varsity seasons and only one other player, Jerry Linton of Panhandle A. and M., playing from 1959 to 1962, topped that total rushing yardage.

Dartmouth 33, Princeton 7

PRINCETON, N.J., Nov. 21 (NYT).—On paper, Dartmouth's strategy for beating Princeton didn't look too easy to accomplish—keep the Ivy League's No. 1 team in offense and defense from getting the ball. In operation, though, carrying out the strategy looked relatively simple, as Dartmouth trounced the Tigers, 33-7, yesterday and earned a share of its third straight Ivy League championship and eighth overall.

In gaining a tie for the title with Cornell, the team they beat last week, the Indians implemented their pregame plan on both sides of the line.

Harvard 35, Yale 16

There was nothing to choose between Harvard and Yale before their 88th game. Both had won four prior games and lost four, and for the first time since 1965 the outcome had no bearing on the winning or losing of the Ivy League championship.

But it was all Harvard at the beginning, middle and end of this contest, one played in spurts and pauses before 51,238. The Crimson won decisively, 35-16, in New Haven, Conn., and led at half-time, 28-2, after scoring 14 points on a blocked kick and a pass interception in the second quarter.

Columbia 24, Brown 6

Columbia's football squad closed its finest season since 1961 today by rallying for a 24-6 triumph over Brown in Providence, R.I.

Columbia thus rang down the curtain with a 6-3 won-lost record with its fifth league victory. Columbia took third place with a 5-2 Ivy mark.

UCLA 7, USC 7

At Los Angeles, seven game loser UCLA battled heavily-favored Southern California to a 7-7 tie as the crosstown rivals completed their seasons. Meeting for the 41st time, before 68,426, the Bruins went into the third quarter trailing 7-0. Bruin defensive end Fred McNeill put a big rush on Trojan punter Dave Boulware, deflecting the kick. It traveled only 17 yards and, in four running plays, UCLA went 30 yards as Marv Kendricks went the final seven for the score.

Fla. St. 45, Tulsa 10

Florida State quarterback Gary Huff threw four touchdown passes—including a 61-yard toss to Barry Smith—as the Seminoles outclassed Tulsa, 45-10, in Tallahassee, Fla.

ANN ARBOR, Mich., Nov. 21 (NYT).—Stunned by an 85-yard punt return and stymied by an aroused Ohio State defense, unbeaten Michigan scored a touchdown with 2 minutes 7 seconds to go on a tension-filled 72-yard drive yesterday for a thrilling 10-7 victory over the Buckeyes before a crowd of 104,016.

After the game, Michigan was formally asked to represent the Big Ten against Stanford of the Pacific-8 Conference in the Rose Bowl on New Year's Day in Pasadena, Calif.

A polling of the conference's athletic directors by Big Ten commissioner Wayne Duke after the game produced a unanimous vote for Michigan, which had clinched the league title a week ago, as the "most representative team."

The 11-0 Wolverines accepted the bid.

The pairing of Michigan and Stanford, which wound up with an 8-3 record after a 14-0 beating of California yesterday, is the same as when the Rose Bowl was inaugurated back in 1902. The Wolverines won that initial Rose Bowl, 49-0.

Michigan will be making its sixth Rose Bowl appearance, with a 4-1 record for previous post-season games. The Wolverines lost, 10-7, to Southern California two years ago.

But the Wolverines had a tough finale against Woody Hayes's Ohio State team.

In an unusually fiery display of temperament that characterized his coaching intensity, the 57-year-old Hayes rushed on the field in the last 90 seconds to protest a Michigan pass interception that thwarted Ohio State's final offensive series at the Wolverine 49-yard line.

Tom Darden, a Michigan defensive back, had leaned in front of Dick Wakefield, the Ohio State pass receiver, for the crucial interception at the Wolverine 32 with 1:25 left.

Michigan had scored the winning touchdown only moments earlier when Larry Cipa, a reserve quarterback, pitched out to halfback Larry Taylor on the Buckeyes' 21 and Taylor carried it in for the score.

Stanford 14, Calif. 0

Jackie Brown and Reggie Sanderson led the Stanford offense and then watched as the Indians' defense stopped the Rose Bowl hopes of California with a 14-0 season-ending victory.

The Indians accepted an invitation to the New Year's Day classic a week ago but California was prepared to go to court if necessary to clear the situation about an National Collegiate Athletic Association suspension that would have barred the Bears from post-season play.

LSU 28, Notre Dame 8

BATON ROUGE, La., Nov. 21 (WP).—Bert Jones's two touchdown passes to Handy Hamilton in the first half and three first-half goal-line stands by the Louisiana State defense last night demoralized Notre Dame and LSU went on to score a 28-8 victory. The triumph also gave the Tigers a trip to the Dec. 18 Sun Bowl against Iowa State.

Jones stunned Notre Dame with an 8-1 won-lost mark coming into the game, with touchdown strikes of 36 and 32 yards to his cousin, halfback Hamilton, as LSU stormed to a 14-0 halftime lead.

Jones scored on a five-yard run late in the third quarter, the first second-half score on Notre Dame this year. And Hamilton scored his third touchdown with 20 seconds left in the game on a 13-yard pass from Paul Lyons. It was the first time in 20 games that anyone scored on the Irish in the fourth quarter.

Ark. 15, Texas Tech 9

Walter Nelson and Mike Saint, second teamers most of the season, combined their talents yesterday to give bowlbound Arkansas a 15-0 home victory over Texas Tech in the regular-season finale for both teams.

The victory assured the Razorbacks of no less than a second-place finish in the Southwest Conference. Arkansas has a 5-1-1 won-lost-tied mark in the conference and Texas is 5-1 with one game remaining against Texas A and M on next Thursday.

The Razorbacks will play Tennessee in the Dec. 20 Liberty Bowl at Memphis if Texas beats Texas A and M.

Tenn 21, Kentucky 7

Carl Johnson ran 85 yards with an intercepted pitch-out for a touchdown to seal a 21-7 Tennessee road victory over Kentucky and give the Vols a probable bid to the Liberty Bowl.

Wash. 28, Wash. St. 20

In Seattle, Washington's Sonny Sixkiller ran 32 yards for the opening touchdown and passed 38 and 33 yards to Tom Scott to set up two more as the Huskies beat Washington State, 28-20.

Mich. St. 28, N'western 7

Randy Anderson smashed for three Northwestern touchdowns and the Wildcats bottled up Eric (The Flea) Allen to defeat Michigan State, 28-7, in Evanston, Ill., and gained undisputed second place in the Big Ten Conference today.

Toledo 41, Kent State 6

Junior fullback Joe Schwartz scored a Mid-American Conference record five touchdowns, powering Toledo to a 41-6 triumph at home over Kent State to prolong its winning streak to 34 games, the longest in the nation.

Oregon St. 30, Oregon 29

Wingback Billy Carlquist ran six yards for the winning touchdown with 1:40 remaining as Oregon State beat Oregon, 30-29, at Eugene in a Pacific-8 clash.

Australia Tops France In Rugby Union Test

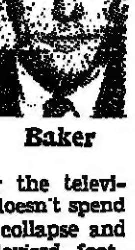
TOULOUSE, France, Nov. 21 (UPI).—The Australian Wallabies came from behind in the second half yesterday and upset France, 13-11, in a Rugby Union test match.

Australia, trailing 11-0, scored a goal and made it 11-6 at the half.

Observer

Primer

By Russell Baker



Baker

WASHINGTON—Let's see if we can sort out the situation in the 1972 presidential campaign, which is now in its final year:

1. Must the election be held? If President Nixon made the freeze applicable to campaign spending, nobody could afford an election and it could be called off. Unfortunately, the President is unlikely to invoke the freeze, because he has millions of dollars in campaign funds earmarked for the television industry. If he doesn't spend them, television will collapse and there will be no televised football for the President to watch on dull winter weekends in the White House. The only way the President can make White House weekends bearable is by going ahead with the campaign.

2. Democrats. There have been many Democratic candidates for *the nomination and will probably* be many more before election day. They all have beautiful teeth, which is the basic qualification for the presidency. Sen. Muskie's teeth are *highly favored* by the professionals at this writing, but many give a slight edge to Sen. Kennedy because of his famous incisors.

3. What's wrong with Sen. McGovern's teeth? McGovern's teeth glisten just as splendidly as the next candidate's when it's time to smile. But he talks too much about the Vietnam war, which takes the shine off his teeth. Americans do not want to hear about the war.

4. Why?

5. I said, why don't Americans want to hear about the war? . . . Let's talk about fun things, please. Ask me about Sen. Jackson. He is the only candidate in any party who can show as many teeth in a single smile as Kennedy.

6. Would Jackson be a fun president? He would be the first *president ever* called "Scoop." This gives him a slight lead over Sen. Humphrey, who would merely be the first president ever called "Hubert."

7. Interesting fact. Lyndon B. Johnson is still constitutionally eligible to serve another term as president. So is Harry S. Truman. A Truman-Johnson ticket would be the most interesting ticket the Democrats could nominate, although many veteran political observers contend that it *would be the only* interesting ticket the Democrats could nominate.

8. Convention riots. The likeliest causes of riots at the 1972 conventions are (1) the possibility that Nixon may try to drop Vice-President Agnew from the Republican ticket and (2) the *Democratic party.*

9. John Lindsay. John Lindsay, Eugene McCarthy, George Wallace and Pete McCloskey would also like to be president, as would Nelson Rockefeller, Birch Bayh, Harold Hughes, Fred Harris and almost everybody else except Mayor Daley, for whom the job would represent a stepdown, and Sen. Barry Goldwater, who shows surprisingly good sense now and then.

10. Why not Mike Mansfield for *president?* *For that matter, why* not Sen. George Aiken? The answer in both cases can be found in "The American Commonwealth," by Lord Bryce, under the *chapter headed: "Why Great Men* Are not Chosen Presidents." Briefly, neither man is telegenic. Their teeth are just average.

11. The Nixon campaign. Nixon will wage his usual *strenuous* flying campaign. In its course he will make campaign appearances in all 116 countries, including the *United States, where he will also* be seen simultaneously and more or less constantly on all television networks. He will point with pride to John Connally, David Eisenhower. *Nguyen Van Thieu,* Chou En-lai and the Supreme Court, and he will tell us that he knows how to end the war but cannot tell us until after he is re-elected.

12. The Democratic campaign. The Democrats will try to destroy Nixon's morale by pointing out that if he wins re-election in 1972 he will never be eligible to run for president again.

13. Length of campaign. Nixon has been running since 1952, although he did not start the 1972 campaign until 1969. Humphrey is the only Democrat who has been running for the same length of time. For those of us not running, the remaining eleven and a half months will last an average of 17 years. Since Nixon and Humphrey have been running longest, they will undoubtedly be the nominees.

14. You are making a grim joke! Life is a grim joke. Why should politics be better?

15. Must the election be held? Failing to hold the election would mean that there wasn't a single power left in Southeast Asia with the courage to face the voters, which would set back the cause of democracy all over that remote area of the Pacific.

Russian Divers Find Ancient Boat in Lake

MOSCOW, Nov. 21 (AP).—Amateur scuba divers have found an ancient boat, possibly used by merchants or warriors from the old Russian city of Novgorod, on the bottom of Lake Ladoga near Leningrad.

The Soviet news agency Tass *has said that "the boat,* which sank many centuries ago, rests in the silty bottom in the southern part of the lake, along the once famous trade route from Scandinavia to Byzantium."

Novgorod flourished as a trade center from the 11th to the 13th centuries.

Bold Ideas, Half-Hearted Traffic Tests

By John L. Hess

MONTPELLIER, France (NYT). — Two cities of southern France are trying audacious schemes to fight the traffic that is choking them. But critics insist that the daring of their concept is threatened by the timidity of their execution.

A small fleet of drive-yourself taxis has appeared in Montpellier. Its sponsors hope that the concept will lead to a worldwide network of such vehicles. *Meanwhile, the fleet* is all but lost among the 45,000 vehicles that incredibly besiege this medieval town. And it is losing money.

Marseilles is studying the results of a 20-day experiment, during which it prohibited parking in a large swatch of its shopping district, reserved five miles of street lanes for buses and taxis and—for one day only—made the buses free. The city may override merchants' complaints and resume limitations on parking, but it considers the free bus service a dead loss and has no intention of repeating it.

Organizers of the self-service taxi fleet in Montpellier are more optimistic and more determined. Their cooperative, called TIP for Transport Individuel Public, has 35 small blue and white cabs on the street and hopes to work up to 150 by spring.

The heart of the operation is a special meter. As the car runs, the meter chews up the rim of a plastic slug, which provides roughly 12 miles of city driving before it gives out. The slugs are on sale at tobacco counters at 10 francs ($1.80) each. There are no other charges.

Each of the 80 active members of the co-op bought a share—reimbursable if he quits—at $75, receiving a key that fits any TIP car. When he wants one, he goes to any of 19 curbside reserved parking areas around the city, takes the first cab in the rank, inserts his slug, drives where he wants to go and leaves it at the nearest TIP rank, taking his slug with him for further use.

The cab will not operate without the slug, which is molded so as to discourage cheating. One advantage, a TIP employee said, it that there is no coin box to tempt thieves. At any rate, theft has not yet been a problem.

The organizers, thinking big, envisage an international association of co-ops, all of whose cabs would use the same key, but with differently shaped slugs so that each co-op would collect its own operating funds. The traveler would step from his plane or train, buy a slug and be motorized in minutes.

The immediate reality is less rosy, however. In an afternoon of TIP-watching in the narrow, car-choked streets of this city, the only blue and white cabs seen in motion were those of the crew that services them and fills their tanks. Other vehicles weren't moving much either.

"It can't work," said an elderly *taxiteur,* as a cab-driver is called here. "A car can't make more than 12 miles a day in this town. You can't pay for a car at 10 francs a day. What it would take is to stop private traffic."

The Transport Ministry in Paris is subsidizing TIP as an experiment in easing the traffic *problem. The city, which provides* the marked spaces without charge, is not yet prepared to affront its motorized electorate in any drastic way.

An old editor recounted that in 1904, when the town police force asked to increase its fleet of bicycles from 6 to 12, a councilman objected that they would cause jams in the narrow streets. Now, a young reporter observed, the car has become such a status symbol that the public will abandon it only under compulsion.

An officer of TIP confirmed that its cabs were averaging one slug a day, earning a gross of $1.80 for 12 miles of operation, but he said gamely that the concern was *expanding* as fast as new cabs could be obtained and would have 150 on the streets by May. He reported that about 200 applicants were waiting for keys.

"We've been moving a lot better," a Marseilles cabbie said. "If you had a referendum, a majority would vote to continue it. But the merchants are squawking—falsely."

The owner of a music store said: "People have been complaining that they can't stop here."

"They couldn't stop before," his wife retorted.

The husband shifted ground. "If people learn to walk," he said, "it will work. But they put in parking lots on the edge of town, at the end of the bus line. They're empty."

A young policeman on a corner said: "Everybody complains—the merchants, the drivers and us, because we've got 10 times as much work, shooing them away. Oh, a few pedestrians are happy, but since there are hardly any pedestrians left..." He shrugged.

A druggist, a leader of the opposition to the no-parking plan, acknowledged that the merchants and their employees were major users of the curbside spots. The city installed parking meters to free the spaces for shoppers but, the druggist observed with a smile, the meter men who police them are "the lowest-paid city employees, hence the most grateful." An occasional pack of cigarettes goes a long way, he indicated.

Eugène Agostini, a lawyer who is deputy mayor in charge of transportation, said the city would study the results of the experiment and then resume it, with adaptations. It has to move slowly to obtain the goodwill of the merchants, he explained.

"We counted twice as much pedestrian traffic as before," he said, "but no shopkeeper is going to admit he made more money. It's what we call taxpayer's modesty."

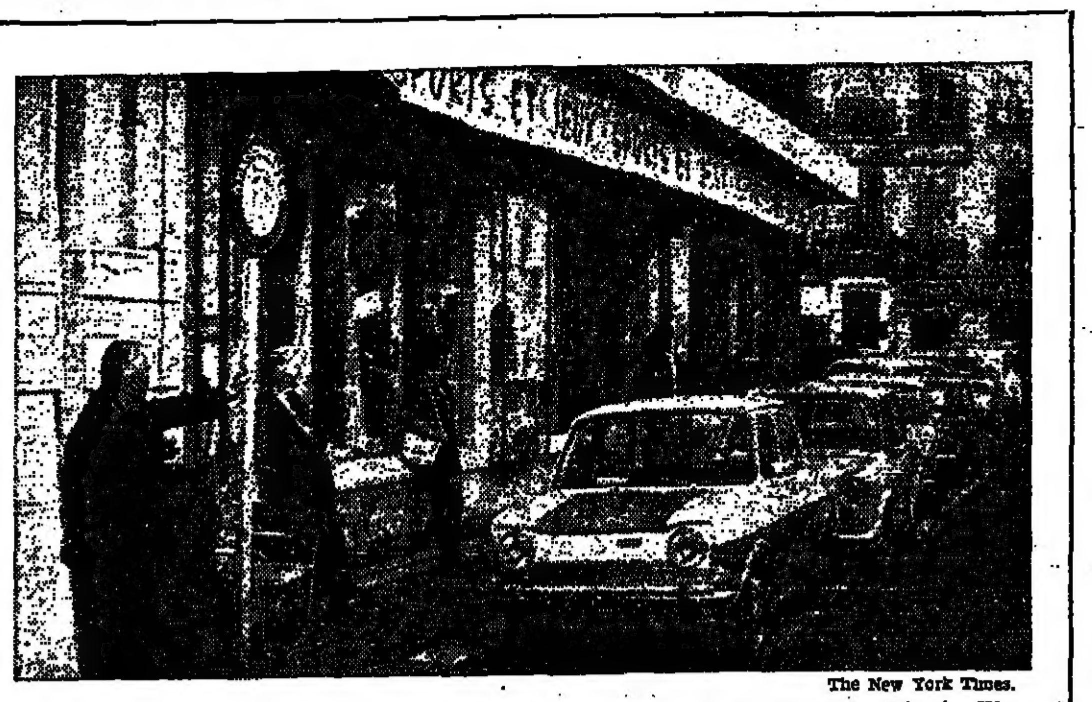
In any case, he said, the situation is desperate. The Marseilles area, with a population of 1.2 million, boasts 300,000 cars—about 20 square meters of street per car.

The free rides cost the city $45,000 in lost fares, he estimated. On a permanent basis, he added, a $14-million-a-year loss would force a 40 percent increase in local *taxes*—"and it wouldn't improve service."

Mr. Agostini complained that the country was taxed to meet the huge deficit of the Paris transit system while Marseilles had to finance its own. A subject of local bitterness is the failure of the national government to grant funds for a subway system.

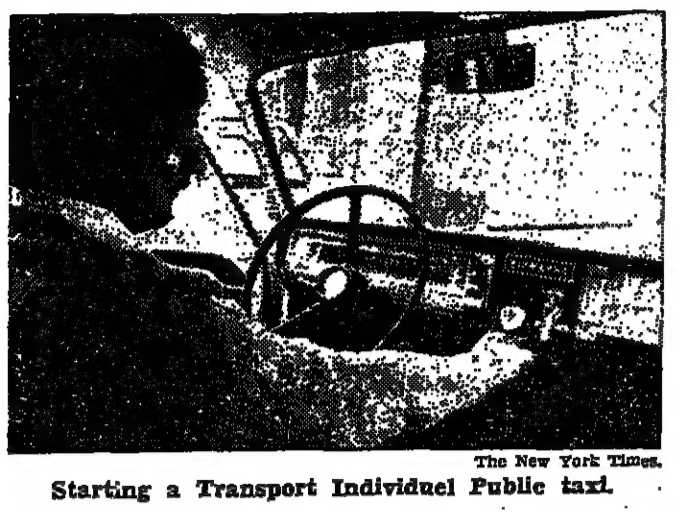
Observers concluded that the Marseilles experiment had clearly improved traffic in the no-parking district but had worsened the situation in surrounding areas, where motorists hunted new parking spaces, causing mammoth jams.

As in Montpellier, a bold idea was given a half-hearted trial. The consensus was that only draconic measures to bar private cars from the city center, or at least to keep them from stopping there, could make the experiments work. There was no indication in either city that the authorities were ready to go that far.



The New York Times.

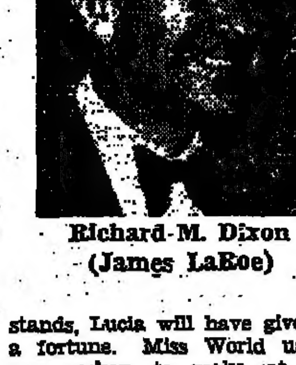
Drive-yourself taxis in one of 19 parking areas reserved for them in Montpellier.



The New York Times.

Starting a Transport Individuel Public taxi.

PEOPLE: *Richard M. Dixon Gets Into the Act*



Richard M. Dixon (James LaRoe)

Whenever and Wherever **Richard M. Dixon** gets in front of a camera these days, Richard M. Nixon's aides at the White House have reason to worry, writes Maxine Cheshire in The Washington Post. Richard M. Dixon, whose real name is James LaRoe, is an actor who is a near double for the President. The *resemblance* is so striking that even the Secret Service has snapped pictures for their own photographic dossier on the impersonator. Previously unknown, the 44-year-old Dixon is getting a massive publicity buildup that should soon make his name almost as well-known as *the man he imitates.*

For instance: Harper's Bazaar will publish a six-page fashion layout featuring him in its January issue. The title: "The Political Year Begins." Dixon is shown spoofing his look-alike in shots that range from one in which he and two black models give the clenched-fist black power salute to another in which he flashes the peace sign to a hippie holding a sign that reads: "Stamp Out Pot."

For instance: On the newsstands at the same time, the other Harper's, the intellectual periodical, will depart from its usual format and run a series of gag shots showing Dixon in the role of chief executive.

For instance: In addition to posing for magazines at a minimum fee of $500 a day, Dixon has just completed a spoofing movie titled "Richard," which will be released in March.

* * *

Still on the political scene, the New York Times reports that **George Meany**, president of the AFL-CIO, last week took a look at President Nixon's economic advisers and gave them the following ringing endorsements:

Arthur Burns, chairman of the Federal Reserve Board: "The architect of the Nixon recession . . . if he was working in the U.S.S.R. he would have been sent to Siberia."

Secretary of Labor **James Hodgson**: "A Little League umpire."

Arnold Weber, a *member of the* Pay Board and former director of the Cost of Living Council: "The hatchet man."

George Schultz, director of the *Office of Management* and Budget: "We thought we were talking to the head man, but . . . he had evidently been demoted . . ."

Judge George H. Boldt, chairman of the Pay Board: "Neutral in the sense that he doesn't know a damn thing about labor and management."

* * *

Switch. **Lucia Peterie**, 22, Brazilian beauty who won the 1971 Miss World title, flew home to Rio de Janeiro Saturday without signing the usual one-year contract with the Miss World organization, diplomatic informants in London said. Brazilian diplomats said she feels the one-year round of engagements, which usually include a trip to Vietnam with the Bob Hope show, would be too demanding. She would, however, fulfill all contractual engagements in Brazil which she had accepted when she entered the contest, they said. If the decision stands, Lucia will have given up a fortune. Miss World usually can reckon to make at least $75,000 from personal appearances and endorsements during her year's reign. Her decision, friends said, came after 48 hours of soul searching.

* * *

Cannot get out of Washington. **Henry A. Kissinger**, the President's national security adviser, may not think of everything his employer needs, but he seems to try hard. **Mrs. Richard M. Nixon** disclosed that Mr. Kissinger, returning from a trip to China, where he made preparations for *the President's visit, brought her* a recipe for chicken and walnuts. Mrs. Nixon, who said the dish would be prepared for the President this week, said she didn't know whether she would go to China, but if she didn't, "I certainly will be disappointed."

* * *

Actress **Barbara Stanwyck**, 64, was reported *resting comfortably* after undergoing surgery for removal of her left kidney, a spokesman at St. John's Hospital in Santa Monica, Calif., said.

* * *

Helen Hayes, who in a long theatrical career has played many a flustered female, appeared flustered after showing up late at a luncheon for **Thomas Quinn Curtiss**, the drama and film critic of the International Herald Tribune who is in New York for publication of a biography, "Von Stroheim," the actor-director. Joining such Von Stroheim associates as Lillian Gish and Anita Loos, Miss Hayes threw Mr. Curtiss a dainty kiss and congratulated him on the publication of George Jean Nathan's biography. Informed that the gathering was called to celebrate the Von Stroheim book, and that Mr. Curtiss's Nathan volume was not due for a year or so, Miss Hayes blinked and said carefully, "Well, I like to be ahead of events."

* * *

A White House secret is out: housekeeper **Shirley Bailey** and German-born pastry chef **Heinz Bender** *have been married for* nearly three months.

Prize for Margaret Mead

PARIS, Nov. 21 (AP).—American anthropologist Margaret Mead has been chosen to receive a $2,400 prize for popular scientific writing awarded by the United Nations Educational, Scientific and Cultural Organization, it was announced here.